

# Monthly Report | 8-9/09

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## Austria's relations with Ukraine

BY VASILY ASTROV

### Economic aspects

Although Ukraine is not a very important trading partner for Austria, Austria is a relatively important trading partner for Ukraine. This is not only due to the geographical, but partly also to the cultural proximity: western regions of Ukraine used to be part of the Austro-Hungarian Empire. Since 2000, the trade turnover between Ukraine and Austria has been on the rise, reaching some EUR 1.4 billion by 2008. (Since autumn 2008, the global financial crisis has brought about a dramatic turnaround to the earlier trend). The expanding trade volume reflected first of all Ukraine's economic upswing, as Austrian exports to this country nearly doubled between 2005 and 2008 alone (the dynamics of Austrian imports from Ukraine has been generally less impressive; Table 1). As a result, Austria has been running a growing surplus in its trade with Ukraine, which stood at some EUR 380 million in 2008.

In a number of ways, the pattern of Ukraine's specialization in trade with Austria is indicative of the country's overall export structure. According to data of the Austrian Statistical Agency, more than half of the country's imports from Ukraine is represented by 'crude materials' (56% of total in 2008) – largely ores, slag and ash. (However, the discrepancies between the Austrian and the Ukrainian statistics are quite large.) Predictably, the structure of Austria's exports to Ukraine is more diversified, more advanced and resembles the structure of Austria's exports to Russia, with the biggest items being machinery and transport equipment (37% of the total in 2008), followed by chemicals (21%) and manufactured goods (18%).

Since the 'orange revolution' at the end of 2004, Ukraine has become an important investment target for Austria – by far exceeding the relatively modest role of Ukraine as a trading partner. At the end of 2007, Austrian FDI in Ukraine stood at some EUR 1.4 billion, accounting for 7% of total FDI

stock and making Austria the fourth biggest investor in the country (behind Cyprus, Germany, and the Netherlands). In particular, Austria established itself as a leading investor in Ukraine's banking sector after the EUR 860 million worth acquisition of a 93.5% stake in Ukraine's second biggest bank Aval by Raiffeisen International in 2005 (prior to the deal, Austria had ranked only ninth in the list of foreign investors in Ukraine).

Table 1

### Austria's trade with Ukraine in 2005-2008

	Imports from Ukraine			
	2005	2006	2007	2008*
<i>Total imports, in EUR million</i>	423	420	516	520
<i>as % of total:</i>				
Food and live animals	4.0	3.5	7.2	2.5
Beverages and tobacco	0.0	0.0	0.0	0.0
Crude materials, inedible	61.6	58.4	56.6	55.9
Mineral fuels	0.4	0.1	1.6	2.4
Oils, fats and waxes	0.0	0.0	0.1	0.9
Chemicals	3.8	5.6	2.5	3.1
Manufactured goods	8.7	8.3	11.3	13.1
Machinery and transport equipment	7.7	9.2	10.9	12.5
Miscellaneous	13.6	14.9	9.6	9.7
Not classified	0.2	0.0	0.3	0.0
	Exports to Ukraine			
	2005	2006	2007	2008*
<i>Total exports, in EUR million</i>	470	654	740	902
<i>as % of total:</i>				
Food and live animals	5.2	4.1	4.9	4.6
Beverages and tobacco	0.3	0.8	0.8	2.0
Crude materials, inedible	0.7	0.9	1.8	2.3
Mineral fuels	1.0	1.0	1.2	1.2
Oils, fats and waxes	0.0	0.0	0.0	0.0
Chemicals	19.0	18.1	19.9	21.0
Manufactured goods	19.7	20.5	21.1	17.8
Machinery and transport equipment	45.3	45.7	39.0	37.4
Miscellaneous	8.8	8.8	11.1	12.6
Not classified	0.1	0.0	0.2	1.2
<i>Trade balance, in EUR million</i>	47	234	224	382

\* preliminary

Source: Own calculations based on data from the Austrian Statistical Agency.

The main motivation behind the deal have been Raiffeisen's plans to expand its retail banking activities in Ukraine, given Aval's extensive network all over the country numbering over 1300 branches. Although Raiffeisen had been present in Ukraine already since 1998 (under the name Raiffeisenbank Ukraine), its activities had been targeting primarily corporate banking. Following the takeover of Aval, the new owner was considering merging the two assets, but ultimately opted for selling Raiffeisenbank Ukraine to OTP bank of Hungary (this deal was finalized in summer 2006). In the aftermath of the Aval deal, two other Austrian banks – Erste and Bank Austria – followed suit, taking over Ukraine's Prestige Bank and Ukrsofsbank, respectively. Also, the past few years have witnessed a number of acquisitions by Austrian companies in the Ukrainian financial sector on a smaller scale, e.g. the takeover of the Ukrainian insurer Garanta (ranking second in property insurance and third in life insurance) by the Austrian branch of Italy's Generali.<sup>1</sup> Overall, some 400 Austrian enterprises are currently operating in Ukraine, including Baumit and Stahlbau Unger (construction), Wiener Städtische and Uniqa (insurance), Steirerobst (agriculture), Austrian Airlines (transport services), and Cargo Partner (logistics); the construction of a steel mill near Odessa by Austria's Voestalpine was put on hold in autumn 2008 because of the financial crisis, which hit hard the global metals industry.

Ukraine's vulnerability to the current financial crisis and the high degree of Austria's exposure to Ukrainian assets, especially in the banking sector,<sup>2</sup> have recently given rise to concerns over the overall soundness of the Austrian banks and have even provoked sovereign rating downgrades for Austria (assuming that the country's budget may be too small to bail out the country's disproportionately big

banking sector in case the latter incurs substantial losses from its business activity in Ukraine and other East European countries). These fears have been compounded by the pronounced devaluation of the Ukrainian hryvnia in the wake of the current crisis, which has dramatically raised the cost of debt servicing for those Ukrainian businesses and households that borrowed in foreign currency (some 60% of the total), thus adding to the growing number of non-performing loans.

At the same time, the Ukrainian FDI stock in Austria is negligible. A EUR 155 million worth deal which could have become the biggest Ukrainian investment in Austria – a takeover of Bank Burgenland in 2006 by a Ukrainian consortium consisting of Ilyich Iron and Steel Works, Ukrpodshipnik and Active Bank – was blocked largely for political reasons. (Eventually, the troubled bank was sold to Grazer Wechselseitige of Austria for a mere EUR 100 million.)

### **Austria, Ukraine and the EU Eastern Partnership initiative**

Given Austria's geographical location, it is little surprise that the country has been an active supporter of the eastern dimension of the European Neighbourhood Policy (ENP), notably with respect to Ukraine, Belarus and Moldova. It was back in 1998 that the Austrian EU presidency developed the 'Partnership Europe' concept, which was initially targeted at the three above-mentioned countries. The key instruments of ENP implementation have been the country-specific 'Action Plans' focusing on a range of political and economic reforms and extensive cooperation in a number of areas, including political dialogue, trade and integration, internal affairs, energy, transport, etc. The Action Plan targeting Ukraine was largely based on the strategy paper drafted by Austria (together with Hungary) in autumn 2003 and incorporated many important provisions from this document such as the support in establishing a functioning market economy and WTO accession, and the elaboration of a feasibility study for the EU-Ukraine free trade area as a next step. The next Austrian EU presidency in the first half of 2006 proposed the building of an EU common energy policy, the

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<sup>1</sup> As already mentioned, the Raiffeisen Investment's daughter company Centragas Holding has been also acting as a partner in the controversial Rosukrenergo deal with Russian Gazprom and Ukrainian businessmen D. Firtash and I. Fursin.

<sup>2</sup> The total exposure of Austrian banks in Ukraine is currently estimated at around EUR 10 billion, with Raiffeisenbank alone accounting for about EUR 6 billion.

centrepiece of which was supposed to be dialogue with Ukraine and Belarus – the two important transit countries for the shipment of Russian oil and gas to Europe.

More recently, Austria welcomed the Eastern Partnership initiative, which was put forward in early 2008 by Poland and Sweden and inaugurated at the Prague summit on 7 May 2009. The Eastern Partnership covers six post-Soviet republics of Eastern Europe and the Southern Caucasus: Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine, although Austria's connections with the Southern Caucasus region are generally much less developed. Austria is perceiving the Eastern Partnership as a tool for implementing ENP in times of the financial crisis, which serves well the ENP's stated goal to form a 'circle of friends' around the European Union. In particular, the Eastern Partnership initiative would allow to strengthen individual partnerships with the countries involved, which could foster the implementation of necessary reforms in these countries and contribute to the badly needed stability in times of the economic crisis. Also, Austria has supported the earmarking of additional funds for the Eastern Partnership (EUR 350 million proposed by the European Commission, drawing on unused funds from the 2007 budget). The country puts emphasis first of all on the bilateral dimension of the Eastern Partnership initiative, concentrating on small projects such as integrated border management (IBM).

Another important aspect of the Austrian approach towards the Eastern Partnership is that it is perceived to be in synergy with the so-called Danube Process, initiated in 2002 by Austria and Romania to stimulate the economic, social and

cultural cooperation of Austria, Bulgaria, the Czech Republic, Germany, Hungary, Romania, Slovakia and Slovenia with Bosnia and Herzegovina, Croatia, Moldova, Serbia and Ukraine. (According to Austria's vision, the realization of the strategy within the framework of the Danube Process could start in the first half of 2011 during the Hungarian presidency of the EU.) The Danube Process reflects particularly Austria's interest in developing cooperation with the countries of the Black Sea region.

Austria belongs to the group of EU members who believe that the Eastern Partnership initiative should not be directed against Russia. In line with this approach, Austria is not opposed to including third countries – first of all Russia and Turkey – into individual multilateral projects within the framework of the Eastern Partnership initiative. It is also firmly opposed to treating the Eastern Partnership initiative – and ENP more generally – as an EU enlargement vehicle. The country's attitude towards Ukraine's EU membership is generally cool. This is partly due to the focus of Austrian pro-enlargement diplomacy lying elsewhere (primarily in the Western Balkan countries, given the much closer historical ties and the extensive West Balkan ethnic minority in Austria), but also due to the possible repercussions on its relations with Russia. For instance, Ukraine's integration into the Energy Community could lead to a major revision to the current scheme of natural gas trade between Russia and the European Union (e.g. in line with the recently signed Ukrainian-EU memorandum on the modernization of Ukraine's gas transit system, which envisages the possibility for the EU to buy Gazprom's gas on the Russian-Ukrainian border), potentially undermining the present status of Austria as a European 'gas hub'.

### **NMS grain production in 2009: calm on the market**

BY ZDENEK LUKAS

This year the EU-27 grain output is expected to amount to about 290 million tonnes, a drop by some 8% against 2008 when the best result in years was registered. 2009 yields per hectare, and thus the volume of grain output, were negatively affected by rather unfavourable weather, with lasting dry and hot periods during the growing season and rainy weather particularly at the time of the wheat harvest. Still, EU grain production in 2009 will be significantly higher than the exceptionally poor result of 2007 (slightly above 259 million tonnes), which at that time had resulted in soaring grain prices. Within the EU, the NMS-10 (accounting for 28% of EU grain output) have suffered more strongly from unfavourable weather: their grain harvest has decreased by some 8 million tonnes or 9% (Table 1). The shortfall is mostly accountable to the traditional grain producers Romania, Hungary and Bulgaria. By contrast, in Poland, the biggest grain producer among the NMS, the 2009 grain harvest (28 million tonnes) has even exceeded the excellent result of the previous year.

When grain and food prices soared in 2007/2008, the temporary suspension of the EU's compulsory set-aside programmes allowed for a significant expansion in the area sown with cereals. In expectation of continuing high prices, some farmers kept larger sown areas in 2009 as well. But, the less favourable weather reduced yields. In addition, the economic downturn dampened demand for grain used as animal feed and as an input for the energy sector (generating biofuels). Global weak demand has resulted in meat and cereals prices that are now below the record levels registered in the first half of 2008 (Figures 1 and 2), reducing farmers' revenues. At the same time, however, input prices for fertilizers and fuels are also lower than in spring 2008. For instance, in the first half of 2009 prices of nitrogen and phosphate halved compared to the first half of 2008. As a

result, the terms of trade (relative prices of outputs to inputs) in the grain sector have most probably not deteriorated. In spite of this, in the less favoured regions market prices are currently not covering the cost of producing cereals.

Wheat production in the NMS-10 declined by some 12%; in particular Hungary, Romania and Bulgaria had to cope with severe weather irregularities. The three countries suffered a total decline of one quarter in wheat output (Table 2). As for maize production, in Germany, Italy, Hungary and Romania it registered two-digit declines due to a lasting drought; however, France, the largest maize producer in the EU, reported just a modest drop (Table 3). Maize yields have varied significantly depending on early- and later- sown crops. The former benefited from the relatively rainy spring and their earlier growth made them more dry-resistant. As opposed to wheat, which is mostly harvested in July, the maize harvest starts only in September. In France, restrictions on water use affected the irrigation of maize fields. Compared to the bumper harvest of 2008, the 2009 maize output in the EU-27 was down by some 10%; the EU-15 and the NMS-10 reported similar drops. The relative importance of maize is higher in the NMS (with a share of 25% in total grain production) than in the EU-15 (18% share).

As mentioned above, the dry weather in Southeast Europe in the spring affected wheat yields in particular; this is likely to undermine wheat exports from Bulgaria, Hungary and Romania up until the next harvest.

The EU as well as the US are subsidizing crop production for the production of biofuels based on inputs such as cereals, sugar beet and oil crops. EU and US policy-makers stress the importance of raising the share of biofuel in overall fuel consumption, as a measure to reduce, at least to some degree, their economies' dependence on mineral oil and gas, which both the EU and the US have to import. In addition, both economic powers feel uncomfortable depending on some of the major oil supplying countries.

Table 1

**Cereals: Harvested production, 1000 t**

	2004	2005	2006	2007	2008	2009	average	
							2004-2006	2007-2009
EU-27	321850	284591	266444	259114	314004	290000	290962	287706
NMS-10	95924	84988	70933	63655	87330	79000	83948	76662
Bulgaria	7435	5819	5512	3171	6977	5500	6255	5216
Czech Republic	8783	7660	6386	7153	8370	7700	7610	7741
Estonia	608	760	619	880	862	800	663	847
Latvia	1060	1314	1159	1535	1689	1593	1178	1606
Lithuania	2859	2811	1858	3017	3422	3765	2509	3401
Hungary	16770	16203	14460	9643	16938	13800	15811	13460
Poland	29635	26928	21776	27143	27664	28000	26113	27602
Romania	24398	19331	15741	7789	16750	14000	19823	12846
Slovenia	583	576	494	532	580	500	551	537
Slovakia	3793	3585	2929	2793	4078	3500	3436	3457
Germany	51097	45980	43475	40632	50105	49289	46851	46675
Spain	23966	13486	18368	23820	23269	13611	18606	20233
France	70382	63978	61613	59382	70378	69463	65324	66408
Italy	21771	20092	18787	18811	20201	8159	20217	15724

Source: Eurostat; Toepfer International; own estimates and calculations.

Table 2

**Wheat: Harvested production, 1000 t**

	2004	2005	2006	2007	2008	2009	average	
							2004-2006	2007-2009
EU-27	149085	135167	126568	120216	150471	139000	136940	136562
NMS-10	36754	32892	26875	25734	36337	32000	32174	31357
Bulgaria	3961	3478	3302	2391	4632	3600	3580	3541
Czech Republic	5043	4145	3506	3939	4632	4400	4231	4323
Estonia	197	263	220	346	340	400	227	362
Latvia	500	677	598	807	990	900	592	899
Lithuania	1430	1379	810	1391	1723	1700	1206	1604
Hungary	6007	5088	4376	3987	5654	4400	5157	4680
Poland	9893	8771	7060	8317	9275	9300	8575	8964
Romania	7812	7341	5526	3045	7110	5400	6893	5185
Slovenia	147	141	134	133	160	160	141	151
Slovakia	1765	1608	1343	1380	1823	1600	1572	1601
Germany	25427	23693	22428	20828	25989	26000	23849	24272
Spain	7097	4027	5522	6436	6714	4900	5548	6017
France	39693	36886	35364	32770	39137	40000	37314	37302
Italy	8639	7717	7182	7170	8845	7000	7846	7672

Source: Eurostat; Toepfer International; own estimates and calculations.

The two main types of biofuel are bioethanol and biodiesel, which are produced predominantly from agricultural crops. They are called 'first-generation biofuel'. Brazil is the world's main producer of bioethanol based on sugar cane, and production is profitable even in the absence of subsidies. The

largest producers of biofuels in the EU are Germany and France. Among the NMS, Hungary ranks first. While its grain harvest has declined at a two-digit rate in 2009, there are high domestic grain stocks built up in 2008, particularly maize, thus the country may continue to return the large investment

## GRAIN PRODUCTION

Table 3

### Grain maize: Harvested production, 1000 t

	2004	2005	2006	2007	2008	2009	average	
							2004-2006	2007-2009
EU-27	71445	62796	55383	48551	62998	57000	63208	56183
NMS-10	29116	25103	21840	11633	22371	20000	25353	18001
Bulgaria	2123	1586	1588	313	1368	1100	1766	927
Czech Republic	552	703	606	759	858	700	620	772
Estonia	.	.	.	.	.	.	.	.
Latvia	.	.	.	.	.	.	.	.
Lithuania	3	5	5	26	32	30	4	29
Hungary	8332	9050	8282	4027	8963	8002	8555	6997
Poland	2344	1945	1261	1722	1844	1694	1850	1753
Romania	14542	10389	8985	3854	7837	7000	11305	6230
Slovenia	358	351	276	308	320	300	328	309
Slovakia	862	1074	838	624	1149	913	925	895
Germany	4200	4083	3220	3809	5106	4281	3834	4399
Spain	4831	4120	3356	3611	3600	3400	4102	3537
France	16372	13688	12904	14528	16027	15557	14321	15370
Italy	11367	10510	9671	9809	9461	8500	10516	9257

Source: Eurostat; Toepfer International; own estimates and calculations.

targeted at bioethanol plants in the past three years. Germany, one of Europe's leading ethanol producers, reported that ethanol output produced by grain rose by two thirds in July 2009 compared to July 2008. The long-term commitment of achieving a 10% share of biofuels in the EU's transport-related fuel consumption by 2020 is still adhered to.

As a result of the reform effort, the decoupling of payments in the EU grain sector is going on. In the course of that process, the EU is limiting intervention purchases of cereals: these are to be phased out for durum wheat and rice by the end of June 2010 and for barley and sorghum by mid-2011. As for maize, intervention is currently set at zero, but this policy instrument will remain available for the case of exceptionally high surpluses. For soft wheat, intervention purchases will still be possible during the intervention period from 1 November to 31 May (at a price of EUR 101.31 per tonne), up to a ceiling of 3 million tonnes. After global grain prices had begun to fall, the EU reintroduced import duties in October 2008.

For the current season of 2009/2010 (July to June), the USDA<sup>1</sup> expects a slight drop in global grain production (wheat, maize, barley, oats, sorghum, rye, millet and mixed grains) by some 2% compared to the historical high in 2008/2009 (Table 4). Grain consumption will grow only slightly, resulting in continuing high global grain stocks.

Table 4

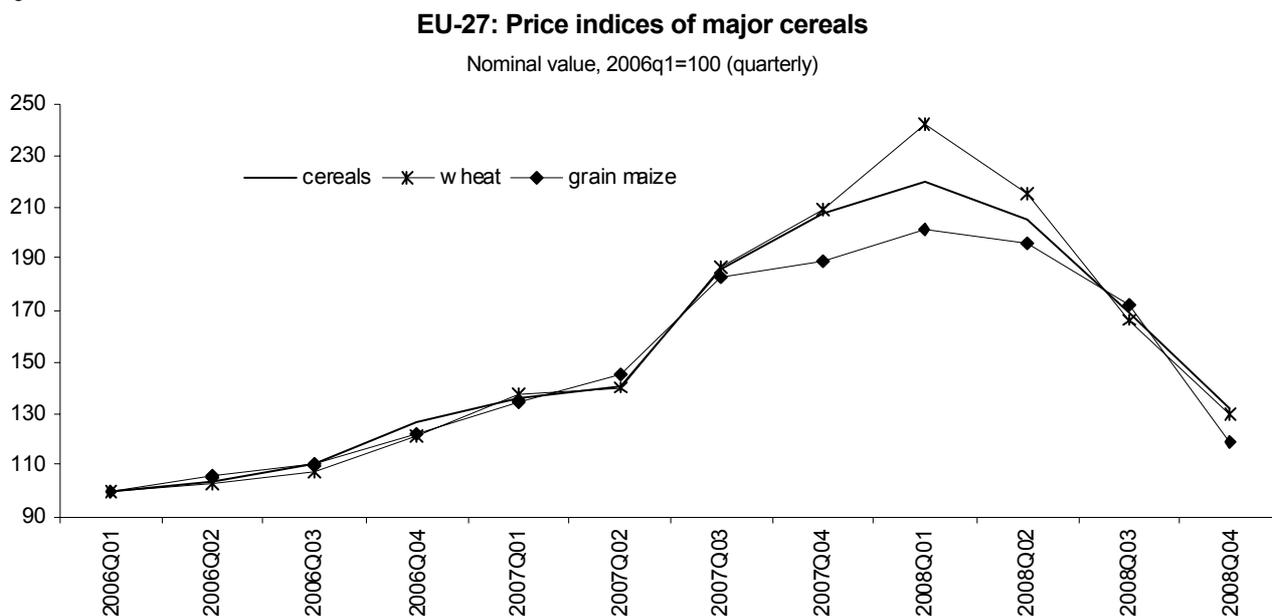
### World supply and use for grains

	Million metric tonnes				
	Output	Supply	Trade	Use	Stocks
2004/05	2043.9	2402.0	241.2	1993.6	408.4
2005/06	2016.7	2419.9	253.4	2031.4	388.4
2006/07	2005.0	2393.6	260.1	2053.3	340.3
2007/08	2121.6	2463.6	275.8	2100.3	363.3
2008/09 (est.)	2227.3	2590.6	273.8	2143.9	446.7
2009/10 (proj.)					
September	2187.3	2633.9	264.2	2183.4	450.6

Source: US Department of Agriculture - World Agricultural Supply and Demand Estimates (WASDE).

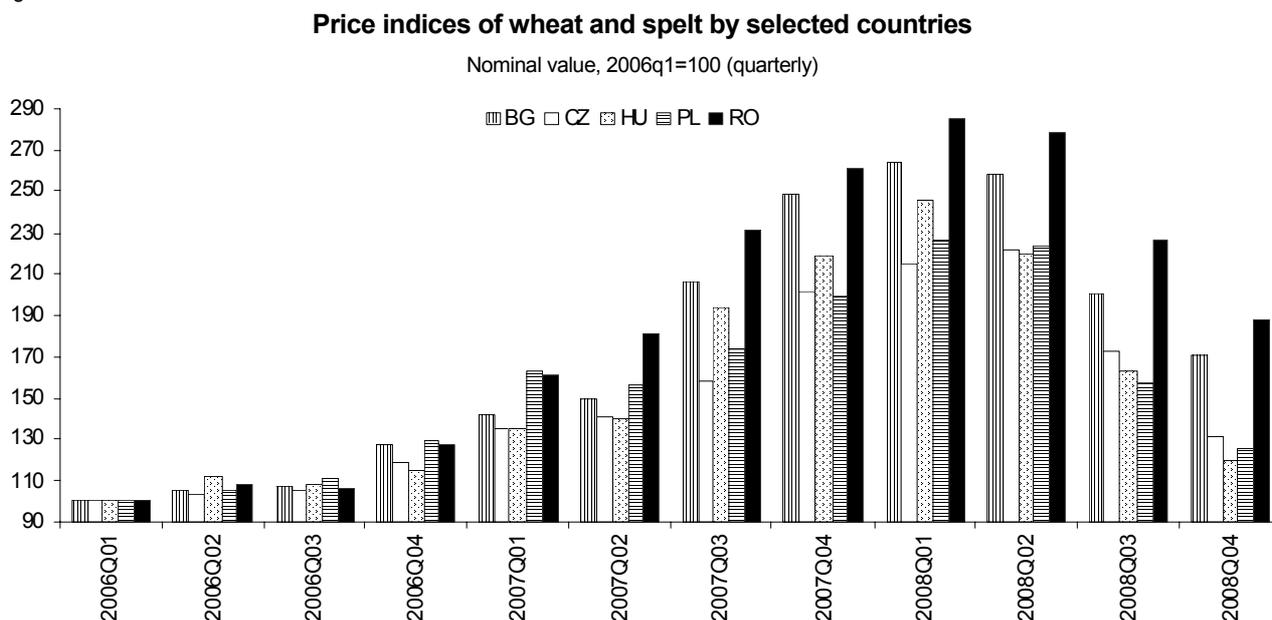
<sup>1</sup> United States Department of Agriculture, Foreign Agricultural Service, September 2009.

Figure 1



Source: Eurostat, own calculations.

Figure 2



Source: Eurostat, own calculations.

On the supply side, China, the world's largest grain producer (including rice), expects a top grain harvest similar to that in the last season. The United States will probably reap an above-average grain harvest. Conversely, Russia and Ukraine, important grain exporters in the past couple of years, reported harvest declines by about 15% compared to the record year 2008. Nevertheless, this year's grain

output could represent the second best result in the past decade and both Russia and Ukraine are willing to keep their important position among the grain exporting countries based on the grain stocks built up in 2008. As for the EU, with harvests well above the long-term average and sufficient to cover domestic demand, it will again be able to export grain and to expand biofuels production.

## GRAIN PRODUCTION

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Interdependence between the agro-food and the energy sectors has become obvious and is intensifying. In the past, fluctuations in world market prices for agricultural products were attributable particularly to global weather conditions. In the meantime, however, the rise in the production of biofuel has created a link between the two sectors, as changes in the demand for fuel have an impact on markets for agricultural goods. At present, the Organization of the Petroleum Exporting Countries (OPEC) expects a stable crude oil price around USD 70-80 a barrel in the months to come. Altogether, the probability is high that the price volatility on the global grain markets up until the next season will be minimal and thus grain prices will not rise significantly in the course of this season.

## The misery of the Hungarian food industry\*

BY DORIS HANZL-WEISS

Once the jewel of the Hungarian manufacturing industry, the food sector has lost its importance during the transition. Since the entry to the European Union on 1 May 2004, the sector is struggling with declining competitiveness on the domestic and also international markets. What has happened to this – once promising – flagship industry?

This article sets out with some basic facts on the Hungarian food industry and then looks at selected aspects in more detail. The food industry is defined according to the NACE rev. 1 classification system and denotes the ‘food products; beverages and tobacco sector’ (DA), which includes the ‘food products and beverages’ and ‘tobacco’ industries.<sup>1</sup>

### Some basic facts on the Hungarian food industry

In 2008, the Hungarian food industry recorded a production volume of slightly more than EUR 8 billion (in 2008 prices and exchange rates) and employed about 99,000 employees (all data for enterprises with 5 and more persons employed). Accounting for 10.8% and 14.6% of manufacturing production and employment respectively, the

\* Thanks are due to Márton Szabó, Senior Research Economist, Kopint-Tárki zRt, for his contribution on FDI and statistics.

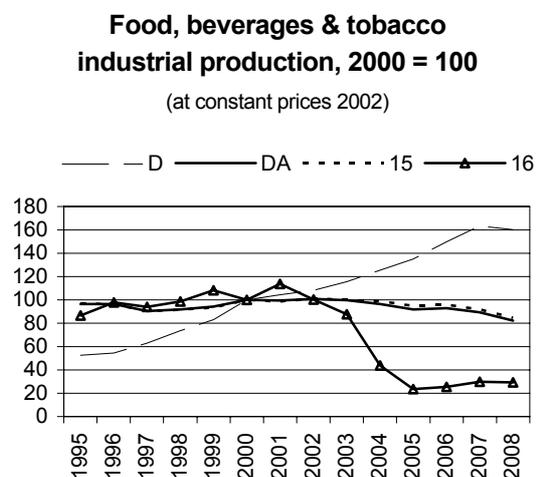
<sup>1</sup> In detail, the ‘food and beverages industry’ (division 15 in the NACE rev. 1 classification system) includes ‘production, processing and preserving of meat and meat products’ (group 15.1), ‘processing and preserving of fish and fish products’ (group 15.2), ‘processing and preserving of fruit and vegetables’ (group 15.3), ‘manufacture of vegetable and animal oils and fats’ (group 15.4), ‘manufacture of dairy products; manufacture of ice cream’ (group 15.5), ‘manufacture of grain mill products, starches and starch products’ (group 15.6), ‘manufacture of prepared animal feeds’ (group 15.7), ‘manufacture of other food products’ (group 15.8), and ‘manufacture of beverages’ (group 15.9). The ‘tobacco industry’ (division 16 in the NACE rev. 1 classification system) includes the ‘manufacture of tobacco products’ only.

Hungarian food industry is still the third largest producer – behind the electrical & optical equipment and the transport equipment sector – and even the second largest employer of Hungarian manufacturing.

Main sub-branches are: meat & meat products, other food products, beverages and dairy products (see Table 1). The category ‘other food products’ (accounting for as much as 36% of all employees of the sector) is quite heterogeneous and is mainly made up of bread & fresh pastry goods & cakes, together with chocolate & sugar confectionary as well as sugar production. Tobacco production is very small.

During the past ten years, the performance of the Hungarian food industry has been relatively weak: the dynamics in the sector has generally been low; growth turned negative in 2003 and has declined slightly since then (see Figure 1).

Figure 1



Notes: D = manufacturing, DA = food, beverages & tobacco, 15 = food and beverages, 16 = tobacco.

Source: wiw Industrial Database, Hungarian Statistical Office.

In the period 2000 to 2008, food production fell on average by 1.5% per year and hence the food industry became the second major loser in manufacturing (the textile & clothing industry suffered declines by 6% on average). All other branches of manufacturing grew and total

Table 1  
**Overview: The Hungarian food products, beverages and tobacco sector, 2008**

	Production in EUR mn	Production in % of DA	Employees persons	Employees in % of DA
15.1 Production, processing and preserving of meat and meat products	2047	24.7	27098	27.3
15.2 Processing and preserving of fish	1	0.0	63	0.1
15.3 Processing and preserving of fruit and vegetables	761	9.2	8329	8.4
15.4 Manufacture of vegetable and animal oils and fats	459	5.5	672	0.7
15.5 Manufacture of dairy products	913	11.0	7403	7.5
15.6 Manufacture of grain mill products, starches and starch products	583	7.0	3084	3.1
15.7 Manufacture of prepared animal feeds	601	7.3	4125	4.2
15.8 Manufacture of other food products	1398	16.9	36123	36.4
15.9 Manufacture of beverages	1358	16.4	11380	11.5
<b>15 Manufacture of food products and beverages</b>	<b>8122</b>	<b>98.1</b>	<b>98278</b>	<b>99.0</b>
<b>16 Manufacture of tobacco products</b>	<b>155</b>	<b>1.9</b>	<b>1006</b>	<b>1.0</b>
<b>DA Manufacture of food products, beverages and tobacco</b>	<b>8277</b>	<b>100.0</b>	<b>99284</b>	<b>100.0</b>
<b>D Total manufacturing</b>	<b>76958</b>		<b>681812</b>	

Notes: Data of enterprises with 5 or more employees.

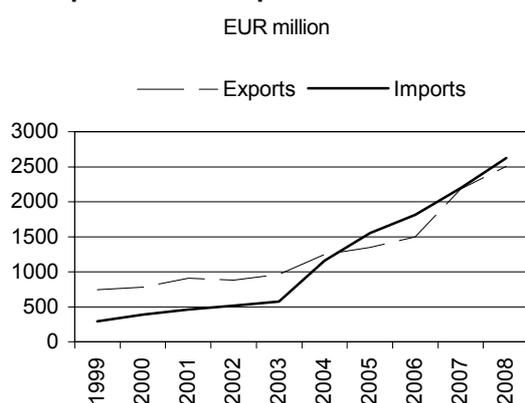
Source: Hungarian Central Statistical Office ([www.ksh.hu](http://www.ksh.hu)).

manufacturing increased by 7.6% on average. Thus the Hungarian food industry lost its traditionally superior position in manufacturing (accounting for 26% of manufacturing production in 1995), with the 'high-tech' industries such as electrical & optical equipment and the transport equipment industry taking over this role (see above).

Looking at the trade balance of the food sector with the EU-27,<sup>2</sup> it was traditionally positive and the Hungarian food sector recorded a trade surplus between the years 2000 and 2003. With the accession to the EU in May 2004, however, imports soared while exports to the EU-27 grew only slowly. Hence, the traditional trade surplus turned into a trade deficit in 2005 (see Figure 2).<sup>3</sup> Hungarian companies could not benefit that much from the entry to the European market, while European companies performed successfully on the Hungarian market also due to the removal of import duties. Thus, the share of Hungarian food sales in the domestic market fell dramatically, also as a result of the strong appearance of foreign retail chains.

Figure 2

**Food, beverages and tobacco products:  
exports to and imports from the EU-27**



Source: Eurostat COMEXT.

<sup>2</sup> In 2008, about 80% of total food exports went to the EU-27, while 92% of total imports originated there.

<sup>3</sup> The trade balance with the world declined as well, but still remained positive. Furthermore, the trade balance in unprocessed agricultural items is also positive.

Hungary's main export products are still meat & meat products (25% of total food exports to the EU-27 in 2008), other food products (17%; mainly tea & coffee, confectionery, and sugar, which is on the decline since 2007 due to the EU sugar reform), fruit & vegetables (16%) and animal feeds (10%). Main imports consist of other food products (28% of total food imports from the EU-27 in 2008; mainly confectionery, tea & coffee), vegetable & animal oils and fats (15%), meat & meat products (14%), dairy products (10%) and beverages (10%).

**Selected aspects behind the story**

The misery of the Hungarian food industry spreads across practically all sub-branches:<sup>4</sup> Meat & poultry, dairy industry, fruit juice production, milling, animal feeds, sugar, confectionery, tobacco, and the canning industry.

***A number of transnational food producers left Hungary or shifted part of their activity to other countries***

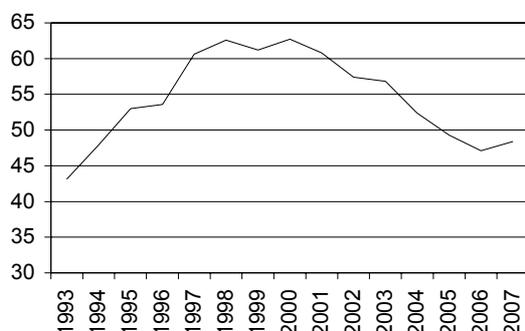
Foreign direct investment (FDI) has played a major role in the Hungarian food industry: With the accelerated privatization after the collapse of communism, foreign investors also came quickly and acquisitions took place in distilling, starch, confectionery, vegetable oil and tobacco as early as 1992. Consequently, foreign investors owned one-third of the aggregate registered company capital in the food industry by the end of that year. In 1996, the privatization process of the Hungarian food industry was completed. By 1997, vegetable oil, soft drinks, and tobacco were almost 100% foreign-owned; confectionery and beer 90%, other food and sugar 80% and starch 70%.<sup>5</sup> In 1998-2000, the share of foreign-owned capital in total company capital of the Hungarian food industry reached its maximum with 63% but has declined since then (see Figure 3). Indeed several multinational food producers left Hungary or shifted part of their activity to other countries.

<sup>4</sup> See *Figyelő* (2009).

<sup>5</sup> Jansik (2002), p. 84.

Figure 3

**Share of foreign-owned company capital  
in total company equity  
of the Hungarian food industry**



Source: Hungarian Statistical Office.

Some examples of foreign firms leaving Hungary:

- Tobacco industry: The tobacco firms BAT, Reemtsma and Philip Morris moved out.
- Sugar industry: In 1990, there were still 12 sugar factories in Hungary. All of them were closed down, except Agrana's Kaposvár Unit. Eastern Sugar and Nordzucker left Hungary completely and even Agrana/Südzucker reduced its production. This was mostly a consequence of the CAP sugar reform adopted in February 2006, which cut sugar quotas.
- Dairy industry: Parmalat went bankrupt. The Italian firm Sole sold its operations to Hungarian Mizo.
- Confectionery: Firms such as Kraft/Philip Morris and others moved out completely or reduced local production significantly and shifted to e.g. Poland.

The following reasons may have behind these developments: a gloomy business climate, poor economic prospects, high taxes, small market size, and better alternatives in other countries such as Romania. The tax burden increased as tax reductions granted during privatization were abolished, and foreign investors moved to neighbouring countries with lower tax burdens. Domestic inputs are expensive and hence not competitive. Unit labour costs are higher in the

Hungarian food industry than in the neighbouring new member states, particularly as compared to the main competitors in Poland.

Generally, an 'international realignment of food industry FDI'<sup>6</sup> has started as multinational food processing companies regard the overall market in Central and Eastern Europe as a single entity and shift production capacity at short notice from one country to another in order to improve productivity and take advantage of foreign labour and raw materials. This realignment occurred first in tobacco, biscuits, confectionery and soft drinks. After EU accession, it spread to other industries, such as the dairy industry. While it has favoured, for example, the Polish dairy or the Czech and Slovak confectionery industries, other countries such as Hungary have been affected adversely.<sup>7</sup> For instance, Unilever closed its Hungarian margarine and salad dressing plant in Budapest in 2006; it relocated production to Poland, Germany and the Czech Republic. About 85% of margarine is now imported from the Czech Republic. Unilever still has three more plants in Hungary producing instant soup and ice cream.<sup>8</sup>

**Growing cheap imports, Hungarian products not competitive**

Between 2004 (the year of EU entry) and 2008, EU-27 imports of other food products (mainly tea & coffee, confectionery), vegetable & animal oils & fats, meat & meat products, dairy products and beverages increased most (in value terms, see Figure 3). For example, cheap pork came from Poland, Slovakia and Denmark, cheap milk from Germany, the Netherlands and Slovakia.<sup>9</sup> Indeed, while Hungary had long been a net exporter on pig meat, it became a net importer after its accession to the EU. Many meat processing companies have gone bankrupt, such as Hajdú-BÉT, the Carnex-group (the second largest meat processing

<sup>6</sup> See Jansik (2009), p. 48.

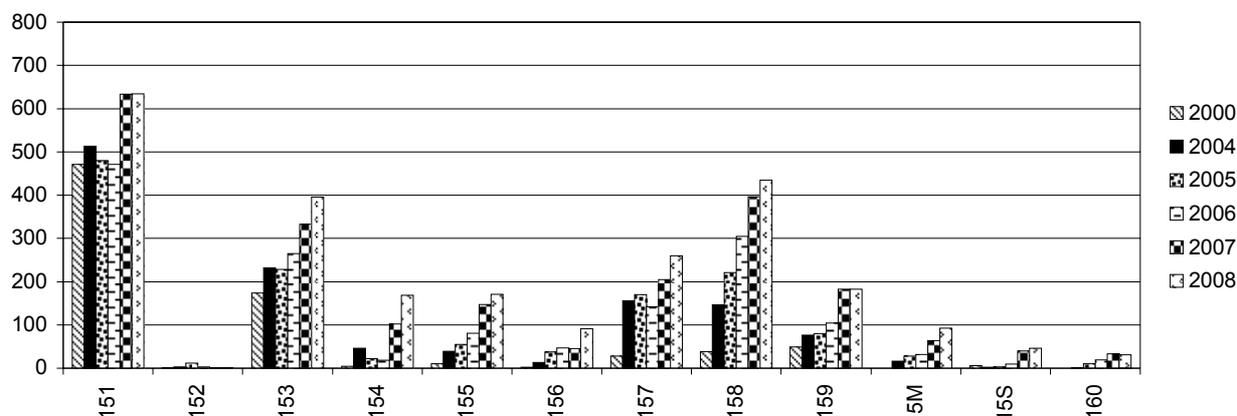
<sup>7</sup> See Jansik (2009), p. 48.

<sup>8</sup> See European Monitoring Centre on Change, <http://www.eurofound.europa.eu/emcc/>

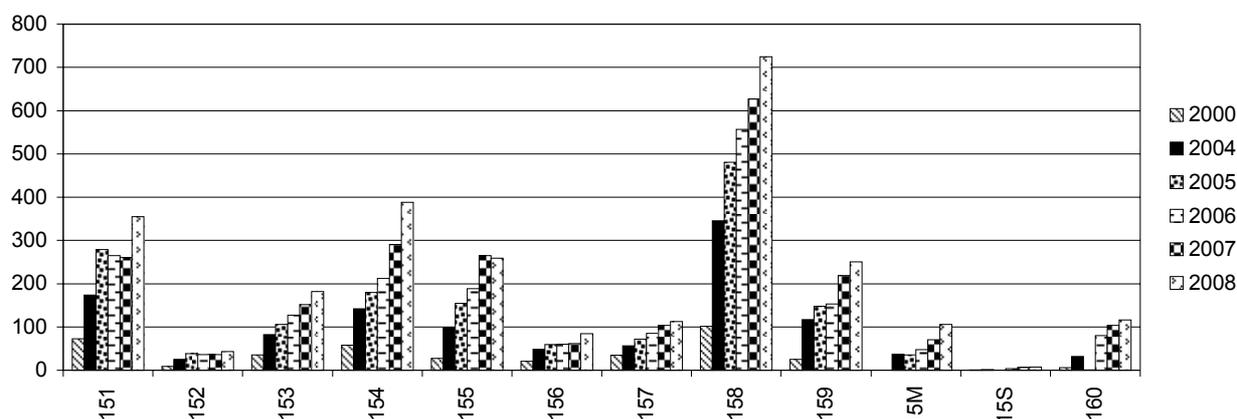
<sup>9</sup> See *Figyelő* (2009), p. 28.

Figure 4

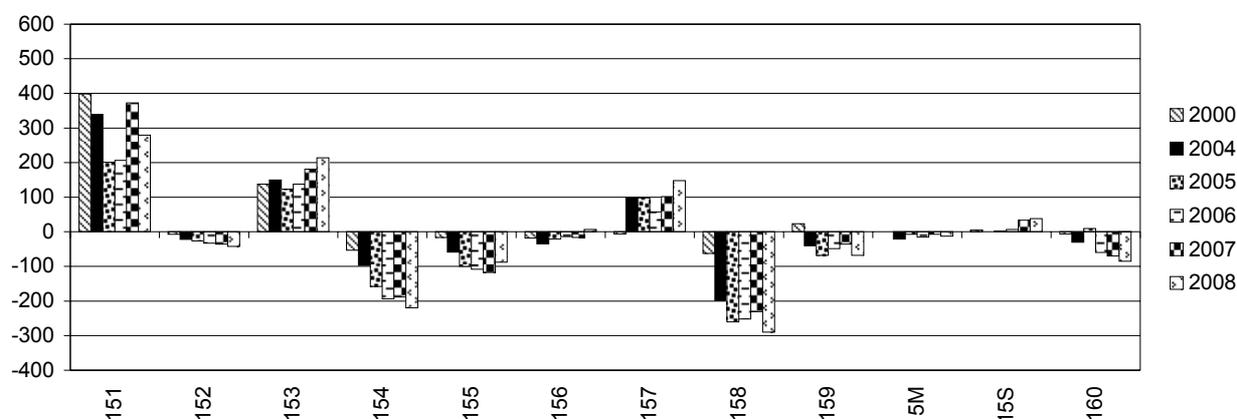
**Hungarian exports to the EU-27, sub-branches of the food, beverages and tobacco sector**  
in EUR million



**Hungarian imports from the EU-27, sub-branches of the food, beverages and tobacco sector**  
in EUR million



**Trade balance with the EU-27, sub-branches of the food, beverages and tobacco sector**  
in EUR million



Notes: 151 - Production, processing and preserving of meat and meat products; 152 - Processing and preserving of fish; 153 - Processing and preserving of fruit and vegetables; 154 - Manufacture of vegetable and animal oils and fats; 155 - Manufacture of dairy products; 156 - Manufacture of grain mill products, starches and starch products; 157 - Manufacture of prepared animal feeds; 158 - Manufacture of other food products; 159 - Manufacture of beverages; 15M and 15S – items not classified; 160 - Manufacture of tobacco products.

Source: Eurostat COMEXT.

Table 2

## The largest companies of the Hungarian food, beverages & tobacco industry and the Hungarian retail sector, 2007

Name	Value added HUF bn	Value added EUR mn <sup>1)</sup>	Employees	Export share	Main activity
Tesco-Global Aruházak Zrt.	78.2	311	19,027	0.1	Retail
Spar Magyarország Kereskedelmi Kft.	36.9	147	10,610	0.0	Retail
Coca-Cola Magyarország Kft.	18.8	75	1,288	10.9	Beverages
Nestlé Hungária Kft.	16.0	64	1,320	54.8	Food
Hungrana Kft.	14.0	56	265	23.6	Starch, solid and liquid sweeteners
Metro Kereskedelmi Kft.	14.0	56	3,010	0.0	Retail
Pick Szeged Szalámigyár és Húsüzem Rt	14.0	56	2,964	29.1	Meat products
Auchan Magyarország Kft.	13.7	55	5,004	0.0	Retail
Unilever Magyarország Kereskedelmi Kft.	10.7	43	615	18.6	Food
Penny-Market Kereskedelmi Kft.	9.9	39	2,168	0.1	Retail

Notes: 1) Average exchange rate Hungarian forint HUF/EUR 251.35.

Source: Mikroszkóp (2008), October.

company after Délhús and Pick), Zalahús, and Zalabaromfi.<sup>10</sup> While the increase in meat and dairy products imports reflected the weak competitiveness of the Hungarian production, the increase in beverages imports was due to the removal of the high customs tariffs levied prior to accession.

Growing imports on the one hand and only slowly growing exports on the other translated into the following trade balances on the sectoral level (see Figure 4): The traditional large surplus in meat & meat products showed the mostly negative trend, the tiny surplus in beverages turned negative in 2004. Only fruit & vegetables and prepared animal feeds could expand their trade surpluses. Trade deficits grew, particularly in vegetable & animal oils & fats; dairy products; and other food products.

### **Large retail chains are growing and taking over the key role in the food chain**

Today, grocery shopping predominantly takes place in hypermarkets, supermarkets and discount stores, accounting for 58% of total Hungarian grocery retail trade in the first half of 2008. Small grocery shops held a share of 28% in the same period.<sup>11</sup> While the former share is rising

continuously, the latter is diminishing. As a consequence large, mostly foreign-owned, retail chains have taken over a key role in the Hungarian food chain, for instance British Tesco or Austrian Spar (see Table 2).<sup>12</sup> This has had an important impact on the food sector: large companies can dictate prices and quality conditions and can perform sourcing policies on the whole world, putting domestic suppliers under pressure.

The list of major Hungarian food and retail companies shows a clear picture: retail companies are dominating, food companies are rare and both are in the hands of foreign owners (see Table 2). Hungarian food companies have practically vanished from the list over the past several years (except Pick Salami) symbolizing the misery of the Hungarian food industry in the most dramatic way.

### **Outlook**

As in other countries, the Hungarian food industry turned out to be less vulnerable to the current global crisis than other sectors of the economy: the output decline between January and May 2009 as

<sup>10</sup> See Figyelő (2009).

<sup>11</sup> GfK Consumer Scan / Household Panel (22 September 2008).

<sup>12</sup> The Hungarian supermarket chain CBA is not included in the list. CBA operates close to 5200 stores in the region, including Bulgaria, Croatia, Greece, Hungary, Italy, Lithuania, Malta, Montenegro, Poland, Romania, Serbia, Slovakia, and Slovenia.

compared to the same period in 2008 was modest and reached only 3.5%, whereas the decline in total manufacturing added up to 25%. Domestic sales in the food industry fell by 4.4%, while export sales could still expand by 2.4%. In fact, export sales grew only in the food industry and in manufacturing & repair, while they fell dramatically in all other branches of manufacturing. The long-run outlook, however, is rather gloomy as the withdrawal of multinationals may have negative consequences, leaving the country with only a small number of competitive firms. Still, a weak forint resulting from the government's current austerity package may keep unit labour costs down and hence improve the food industry's competitiveness.

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## Multiplier effects of governmental spending in Central and Eastern Europe: a quantitative assessment

BY LEON PODKAMINER

The traditional multiplier theory assumes that additional government spending (on purchases of goods and services from the private economy, or on extraordinary transfer payments to it) – denoted as  $\Delta G$  – increases the total GDP by more than  $\Delta G$ . The force of the multiplication effect is assumed to depend on two ‘leakage’ parameters: the private sector’s saving propensity and the rate of net taxation of the private sector’s aggregate income. (Net taxation denotes taxation net of the statutory government subsidies and transfers to the private sector.) The larger either of the two parameters, the smaller the GDP magnification effect of  $\Delta G$ . Assuming that the parameters in question (denoted as  $t$  and  $s$  respectively) are reasonably stable, one gets a simplified formula linking  $\Delta G$  and  $\Delta GDP$ :

$$\Delta GDP = \Delta G / (t+s)$$

There are two problems with this formula. First, it abstracts from the effects of additional spending (and additional GDP) on imports which are expected to rise as well – thereby reducing the size of the resultant magnification effect. It goes without saying that assessing the strength of the induced import effects is not an easy task.<sup>1</sup> Second, an assessment of the parameters  $t$  and  $s$  is restricted to the countries which publish properly structured (and consistent) national account statistics. Thus, for example, it is relatively easy to derive these parameters from the freely available statistics for Poland – but not for the Czech Republic. (Also Eurostat data are useless for the purpose.)

Quite fortunately, it turns out that what is needed for the multiplier analysis is the aggregate ‘leakage’

parameter ( $t+s$ ). One does not need to know the components of the sum – only the sum itself. The latter is given as  $1-CP/GDP$ , where  $CP/GDP$  is the share of private consumption in GDP.

Table 1 gives the average values of the  $CP/GDP$  share and its standard deviations for the Central European NMS, Croatia and Ukraine, as well as the average<sup>2</sup> aggregate leakage parameter ( $t+s$ ). The very low standard deviations for the consumption share indicate that the aggregate leakage ( $t+s$ ) is indeed quite stable.

Table 1

	Average aggregate ‘leakage’ parameter ( $t+s$ )		
	CP/GDP	s.d.	$t+s$
Czech Rep.	0.497	0.016	0.503
Hungary	0.525	0.010	0.475
Poland	0.629	0.020	0.371
Slovakia	0.559	0.006	0.441
Slovenia	0.537	0.017	0.463
Bulgaria	0.693	0.008	0.307
Romania	0.669	0.013	0.331
Estonia	0.545	0.005	0.455
Latvia	0.616	0.020	0.384
Lithuania	0.644	0.005	0.356
Croatia	0.613	0.014	0.387
Ukraine	0.563	0.026	0.437

s.d. – standard deviation.

Source: Own calculations based on *wiiw Annual Database*.

The identification of the ‘leakages’ due to imports is done through an econometric analysis relating the import share of GDP ( $M/GDP$ ) to the GDP share of the remaining individual components of GDP,

<sup>1</sup> See K. Laski, ‘The government expenditure multiplier and its estimation for Poland’, *wiiw Monthly Report*, No. 7, 2009, pp. 11-13.

<sup>2</sup> Due to data availability the averages cover the years 2002-2008 for the Baltic countries and the years 2000-2008 for the remaining countries.

Table 2

**Estimated import intensities**

	<b>GCF</b>	<b>s.d.</b>	<b>Exports</b>	<b>s.d.</b>	<b>CP</b>	<b>s.d.</b>	<b>Adj. R<sup>2</sup></b>	<b>D-W</b>
Czech Republic	0.785	0.050	0.681	0.020			0.980	2.57
Hungary	0.516	0.062	0.835	0.022			0.987	2.07
Poland	0.471	0.052	0.799	0.032			0.986	2.32
Slovakia	0.919	0.166	0.72	0.060			0.945	2.2
Slovenia	0.934	0.154	0.680	0.068			0.993	1.29
Bulgaria	0.625	0.116	0.977	0.082			0.996	2.43
Romania	0.353	0.133	0.427	0.218	0.240	0.10	0.664	2.42
Estonia	0.802	0.127	0.740	0.058			0.972	2.12
Latvia	0.757	0.161	0.761	0.127			0.884	1.38
Lithuania	0.851	0.165	0.777	0.074			0.957	1.57
Croatia	0.516	0.041	0.267	0.125	0.400	0.08	0.942	1.77
Ukraine	0.830	0.085	0.628	0.037			0.723	1.71

s.d. – standard deviation; Adj. R<sup>2</sup> – adjusted R squared statistic; D-W – Durbin-Watson statistic.

Source: Own calculations based on wiiw Annual Database.

namely private consumption (CP/GDP), government consumption (GC/GDP), gross capital formation (GCF/GDP) and exports (X/GDP). Due to data availability no distinction is made between gross capital formation by the private vs. the government sector.

Estimations (based on yearly data, as explained in footnote 2) produced the import intensities that are shown in Table 2. As can be seen, the quality of the estimated import intensities, obtained with Ordinary Least Squares<sup>3</sup>, is high – in most cases very high.

The most surprising result revealed during the estimations is that the import intensities of consumption (both private and the government's) must be assumed to be about zero everywhere (except Croatia and Romania). For all other countries the import intensities of consumption turned out to be statistically insignificant and otherwise very small (or even negative).

<sup>3</sup> The equation for Slovenia contained a constant. The equations for Bulgaria and Romania contained an AR(1) component, correcting for the apparent autocorrelation of the error terms.

Consequently, the consumption variables were removed from the regressions reported in Table 2 (except for Romania and Croatia).

Suitably combining the average aggregate 'leakage' parameters (t+s) from Table 1 with the estimated import intensities from Table 2 one can assess the proper magnitudes of the multipliers of the additional government spending. However, it is essential to make some assumption on the form of that spending. It makes a difference whether that spending is primarily on public consumption (or additional extraordinary transfers to households), or on public investment (say, the purchase of weaponry for the armed forces). Table 3 gives the values of the multipliers in question, allowing for the imports induced by additional spending.

Four variants are considered. Variant A assumes that no part of  $\Delta G$  takes the form of investment. Variant D assumes that the entire  $\Delta G$  takes the form of investment (whose average import intensity is just equal to that given in Table 2). Variant B assumes that 25% of  $\Delta G$  is such an investment, and Variant C assumes 50% respectively.

## GOVERNMENT MULTIPLIER EFFECT

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Table 3

### Multipliers ( $\Delta$ GDP)

	A	B	C	D
Czech Rep.	1.987	1.5976	1.208	0.428
Hungary	2.106	1.8343	1.563	1.020
Poland	2.692	2.3751	2.058	1.423
Slovakia	2.269	1.7483	1.227	0.185
Slovenia	2.161	1.6566	1.152	0.143
Bulgaria	3.252	2.7439	2.235	1.219
Romania	2.525	2.3023	2.079	1.634
Estonia	2.198	1.7571	1.316	0.435
Latvia	2.604	2.1113	1.618	0.633
Lithuania	2.809	2.2114	1.614	0.419
Croatia	2.296	1.9995	1.703	1.111
Ukraine	2.290	1.8147	1.340	0.389

Source: Own calculations.

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As can be seen, the non-investment variant (A) promises very high GDP responses to additional government spending. These responses are still very high even when 50% of  $\Delta$ G is being invested. However, for some countries (the Czech Republic, Slovakia, Slovenia, Ukraine and the Baltic countries) the multipliers turn out to less than 1 if all  $\Delta$ G takes on the form of investment. As far as the purpose of achieving a GDP gain is concerned – which may be vital under otherwise recessionary conditions – it is essential that the additional government spending is directed at non-investment uses. This is a natural consequence of the high, or very high, import intensity of investment. In so far as investment is highly import-intensive, investment spending may tend to leak out abroad instead of having immediate effects on domestic output and employment. Of course, some specific forms of public investment may be less import-intensive. One could think of, e.g., public works relying primarily on the application of labour-intensive technologies (rather than on the use of imported equipment).

## STATISTICAL ANNEX

### Selected monthly data on the economic situation in Southeast Europe, Russia and Ukraine

#### Conventional signs and abbreviations

used in the following section on monthly statistical data

.	data not available
%	per cent
CMPY	change in % against corresponding month of previous year
CCPY	change in % against cumulated corresponding period of previous year (e.g., under the heading 'March': January-March of the current year against January-March of the preceding year)
3MMA	3-month moving average, change in % against previous year.
CPI	consumer price index
PMchange	change in % against previous month
PPI	producer price index
p.a.	per annum
mn	million
bn	billion
BGN	Bulgarian lev
CZK	Czech koruna
EUR	euro, from 1 January 1999
EUR-SIT	Slovenia has introduced the euro from 1 January 2007
HRK	Croatian kuna
HUF	Hungarian forint
PLN	Polish zloty
RON	Romanian leu
RUB	Russian rouble
SKK	Slovak koruna
UAH	Ukrainian hryvnia
USD	US dollar
M0	currency outside banks / currency in circulation (ECB definition)
M1	M0 + demand deposits / narrow money (ECB definition)
M2	M1 + quasi-money / intermediate money (ECB definition)
M3	broad money

Sources of statistical data: National statistical offices and central banks; wiiw estimates.

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**A L B A N I A: Selected monthly data on the economic situation 2008 to 2009**

(updated end of Aug 2009)

		2008								2009						
		May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
<b>LABOUR</b>																
Employment, end of period	th. persons	.	965.9	.	.	969.9	.	.	974.1	.	.	.	.	.	.	.
Employment, end of period	CMPY	.	103.5	.	.	103.6	.	.	103.7	.	.	.	.	.	.	.
Unemployment, reg., end of period	th. persons	.	140.0	.	.	140.1	.	.	141.5	.	.	.	.	.	.	.
Unemployment rate, registered	%	.	12.7	.	.	12.6	.	.	12.7	.	.	.	.	.	.	.
<b>PRICES</b>																
Consumer	PM	-1.0	-0.8	-0.6	0.6	1.1	0.1	-0.1	0.9	0.4	0.7	0.6	-0.1	-0.8	-0.6	-0.7
Consumer	CMPY	4.2	4.0	3.7	2.5	2.7	2.9	2.6	2.2	2.1	1.8	1.6	1.9	2.1	2.3	2.2
Consumer	CCPY	4.0	4.0	3.9	3.8	3.6	3.6	3.5	3.4	2.1	2.0	1.8	1.8	1.9	2.0	2.0
Producer, in industry	PM	0.4	0.5	-0.3	-0.3	0.6	-1.0	0.0	0.0	-2.3	0.1	0.3	.	.	.	.
Producer, in industry	CMPY	7.3	7.9	7.4	6.8	7.2	4.1	4.2	4.2	-0.8	-1.4	-1.3	.	.	.	.
Producer, in industry	CCPY	7.3	7.4	7.4	7.3	7.3	7.0	6.7	6.5	-0.8	-1.1	-1.2	.	.	.	.
<b>FOREIGN TRADE<sup>1)2)</sup></b>																
Exports total (fob), cumulated	EUR mn	373	467	557	621	708	786	860	917	53	111	172	232	295	367	441
Imports total (cif), cumulated	EUR mn	1371	1669	1977	2269	2571	2917	3232	3582	222	482	739	998	1284	1552	1836
Trade balance, cumulated	EUR mn	-998	-1202	-1419	-1648	-1862	-2130	-2372	-2665	-169	-371	-566	-766	-989	-1186	-1395
<b>FOREIGN FINANCE</b>																
Current account, cumulated	EUR mn	-530	-631	-707	-828	-862	-1018	-1146	-1319	-120	-247	-334	.	.	.	.
<b>EXCHANGE RATE</b>																
ALL/USD, monthly average	nominal	78.45	78.52	77.24	81.12	85.65	92.82	96.84	90.96	94.62	100.65	100.50	98.83	96.80	93.60	92.08
ALL/EUR, monthly average	nominal	122.08	122.03	121.87	121.44	123.05	123.13	123.29	123.18	125.18	128.79	130.67	130.46	132.05	131.18	129.66
USD/ALL, calculated with CPI <sup>3)</sup>	real, Jan04=100	128.6	126.2	126.9	122.0	117.1	109.2	106.6	115.8	111.2	104.7	105.2	106.6	107.6	109.6	110.9
USD/ALL, calculated with PPI <sup>3)</sup>	real, Jan04=100	121.2	119.3	118.0	115.7	111.4	107.6	108.8	119.8	112.6	106.8	108.1	.	.	.	.
EUR/ALL, calculated with CPI <sup>3)</sup>	real, Jan04=100	108.4	107.2	106.8	107.8	107.3	107.3	107.4	108.7	108.1	105.2	103.9	103.7	101.4	101.3	102.3
EUR/ALL, calculated with PPI <sup>3)</sup>	real, Jan04=100	112.8	112.0	110.7	111.3	110.6	110.3	112.2	114.2	110.3	107.5	106.8	.	.	.	.
<b>DOMESTIC FINANCE</b>																
M0, end of period	ALL bn	145.0	145.8	150.8	152.3	152.7	165.3	173.3	195.8	196.7	200.2	201.0	202.8	202.2	207.6	209.7
M1, end of period	ALL bn	215.8	219.4	226.0	226.8	228.0	239.7	250.1	282.9	275.4	272.4	272.0	275.3	275.7	282.6	288.8
M2, end of period	ALL bn	758.2	773.7	787.1	808.3	820.4	806.6	800.4	815.7	816.7	810.9	805.4	810.6	816.4	819.4	821.5
M2, end of period	CMPY	10.1	13.4	13.6	12.7	14.6	12.2	11.7	7.2	7.6	6.4	6.7	6.7	7.7	5.9	4.4
NB base rate (p.a.), end of period	%	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3	5.8	5.8	5.8	5.8	5.8	5.8	5.8
NB base rate (p.a.), end of period <sup>4)</sup>	real, %	-1.0	-1.5	-1.1	-0.5	-0.9	2.0	1.9	1.9	6.6	7.2	7.1	.	.	.	.
<b>BUDGET</b>																
General gov.budget balance, cum.	ALL bn	5921	-2431	-5587	-8904	-8395	-16786	-21894	-57518	1459	-3452	-3753	-9847	-20286	-31558	.

1) Based on cumulated national currency and converted with the average exchange rate.

2) Cumulation starting January and ending December each year.

3) Adjusted for domestic and foreign (US resp. EU) inflation. Values more than 100 mean real appreciation.

4) Deflated with annual PPI.

**B O S N I A and H E R Z E G O V I N A: Selected monthly data on the economic situation 2008 to 2009**

(updated end of Aug 2009)

		2008								2009						
		May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
<b>PRODUCTION</b>																
Industry, total <sup>1)</sup>	real, CMPY	5.5	8.1	9.8	5.5	11.6	10.6	14.8	40.9	-9.2	-6.3	4.5	6.0	-2.5	-0.4	.
Industry, total <sup>1)</sup>	real, CCPY	5.5	6.0	6.6	6.4	7.0	7.4	8.1	11.0	-9.2	-6.1	-2.5	-0.4	-0.8	-0.7	.
Industry, total <sup>1)</sup>	real, 3MMA	6.7	7.8	7.8	9.0	9.2	12.3	22.1	15.5	8.5	-3.7	1.4	2.7	1.0	.	
<b>LABOUR</b>																
Employees <sup>2)</sup>	th. persons	704.6	708.0	708.5	707.9	709.3	709.5	709.6	706.8	704.3	704.4	698.5	698.3	698.0	698.4	.
Employees <sup>2)</sup>	CMPY	103.6	103.5	102.6	102.5	102.1	102.1	102.4	101.3	100.9	100.7	99.5	99.2	99.1	98.6	.
Unemployment, reg., end of period <sup>3)</sup>	th. persons	494.0	489.7	488.4	484.8	480.3	477.6	479.3	483.3	488.5	491.7	493.3	493.2	490.8	492.7	.
Unemployment rate, registered	%	41.2	40.9	40.8	40.6	40.4	40.2	40.3	40.6	41.0	41.1	41.4	41.4	41.3	41.4	.
<b>WAGES, SALARIES</b>																
Total economy, gross	BAM	1115	1108	1130	1131	1148	1155	1149	1183	1191	1206	1203	1210	1198	1208	.
Total economy, gross	real, CMPY	8.1	6.8	8.5	7.2	9.4	10.1	9.1	13.2	16.4	11.7	11.2	10.6	8.6	11.1	.
Total economy, gross	EUR	570	567	578	578	587	591	587	605	609	617	615	619	613	618	.
<b>PRICES</b>																
Consumer	PM	0.9	0.9	0.1	0.1	0.1	0.7	-0.6	-0.6	-0.1	-0.1	-0.1	-1.2	-0.1	0.1	0.7
Consumer	CMPY	8.2	9.6	9.9	9.5	8.8	7.3	5.5	3.8	2.3	1.8	0.7	0.0	-1.0	-1.9	-1.2
Consumer	CCPY	7.0	7.4	7.8	8.0	8.1	8.0	7.8	7.4	2.3	2.1	1.6	1.2	0.8	0.3	0.1
<b>FOREIGN TRADE<sup>4)5)</sup></b>																
Exports total (fob), cumulated	EUR mn	1399	1713	2037	2317	2632	2930	3206	3433	197	410	635	853	1071	1304	.
Imports total (cif), cumulated	EUR mn	3488	4217	4985	5692	6446	7235	7864	8465	421	903	1431	1984	2500	3045	.
Trade balance, cumulated	EUR mn	-2090	-2505	-2947	-3375	-3814	-4305	-4659	-5033	-224	-493	-796	-1131	-1429	-1741	.
Exports to EU-27 (fob), cumulated	EUR mn	800	977	1151	1295	1464	1631	1783	1894	116	232	354	467	583	719	.
Imports from EU-27 (cif), cumulated	EUR mn	1588	1915	2266	2590	2965	3371	3695	3996	205	457	715	977	1231	1500	.
Trade balance with EU-27, cumulated	EUR mn	-788	-939	-1115	-1295	-1501	-1740	-1912	-2102	-89	-225	-361	-510	-648	-782	.
<b>FOREIGN FINANCE</b>																
Current account, cumulated <sup>4)</sup>	EUR mn	.	-887	.	.	-1398	.	.	-1879	.	.	-157	.	.	.	.
<b>EXCHANGE RATE</b>																
BAM/USD, monthly average	nominal	1.257	1.258	1.240	1.304	1.362	1.464	1.537	1.457	1.468	1.531	1.502	1.480	1.437	1.395	1.388
BAM/EUR, monthly average	nominal	1.956	1.956	1.956	1.956	1.956	1.956	1.956	1.956	1.956	1.956	1.956	1.956	1.956	1.956	1.956
USD/BAM, calculated with CPI <sup>6)</sup>	real, Jan04=100	122.9	122.7	124.0	118.5	113.8	107.7	103.9	110.2	108.7	103.5	105.2	105.1	107.9	110.3	111.8
EUR/BAM, calculated with CPI <sup>6)</sup>	real, Jan04=100	103.7	104.2	104.4	104.6	104.4	105.1	104.8	104.4	104.9	104.3	103.8	102.2	101.9	101.8	103.1
<b>DOMESTIC FINANCE</b>																
M0, end of period	BAM mn	2125	2076	2152	2168	2131	2279	2139	2302	2083	2063	2016	2105	2015	1988	.
M1, end of period	BAM mn	6071	6032	6144	6242	6198	6045	5876	5995	5730	5662	5562	5529	5590	5606	.
M2, end of period	BAM mn	12688	12751	13033	13224	13372	12696	12577	12702	12472	12487	12406	12381	12412	12381	.
M2, end of period	CMPY	15.9	14.3	14.8	14.7	14.7	7.3	5.8	4.0	2.3	2.0	0.3	-1.5	-2.2	-2.9	.

1) Federation of B&H and Republic Srpska weighted by wiiv.

2) Sum of employees in Federation of B&H, Republic Srpska and District Brcko, calculated by wiiv.

3) Sum of unemployed persons in Federation B&H, Republic Srpska and District Brcko, calculated by wiiv.

4) Based on cumulated national currency and converted with the average exchange rate.

5) Cumulation starting January and ending December each year.

6) Adjusted for domestic and foreign (US resp. EU) inflation. Values more than 100 mean real appreciation.

C R O A T I A: Selected monthly data on the economic situation 2008 to 2009

(updated end of Aug 2009)

		2008										2009						
		May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul		
<b>PRODUCTION</b>																		
Industry, total <sup>1)2)</sup>	real, CPMY	-2.1	7.2	1.9	-4.5	3.0	-0.7	-3.5	-1.5	-14.1	-12.4	-6.6	-7.1	-7.3	-13.7	-9.0		
Industry, total <sup>1)2)</sup>	real, CCPY	3.7	4.3	3.9	2.9	2.9	2.5	1.9	1.6	-14.1	-13.3	-10.9	-9.9	-9.4	-10.2	-10.0		
Industry, total <sup>1)2)</sup>	real, 3MMA	3.8	2.2	1.5	0.2	-0.7	-0.5	-1.9	.	.	-11.0	-8.7	-7.0	-9.4	-10.0	.		
Construction, total, effect. work. time <sup>1)2)</sup>	real, CPMY	6.5	14.8	15.0	2.0	18.0	10.6	7.8	16.1	-5.6	-1.9	6.1	-4.3	-5.0	.	.		
<b>LABOUR</b>																		
Employment total	th. persons	1256.0	1264.6	1270.8	1270.7	1267.4	1262.9	1257.2	1247.6	1234.4	1227.0	1224.4	1223.9	1225.8	1228.0	1227.0		
Employees in industry	th. persons	296.3	296.1	295.8	295.3	294.7	294.4	293.3	290.6	266.4	264.5	262.7	260.4	258.6	257.2	255.9		
Unemployment, reg., end of period	th. persons	232.8	222.3	219.7	219.3	222.2	228.5	233.7	240.5	254.3	262.8	267.2	263.8	256.3	247.1	248.6		
Unemployment rate, registered	%	13.2	12.5	12.4	12.3	12.6	12.9	13.2	13.7	14.3	14.8	15.0	14.8	14.4	14.0	14.0		
Labour productivity, industry <sup>1)2)</sup>	CCPY	4.8	5.4	5.2	4.2	4.3	4.1	3.7	3.5	-7.5	-6.2	-3.4	-2.1	-1.3	-2.0	.		
Unit labour costs, exch. r. adj. (EUR) <sup>1)2)</sup>	CCPY	4.2	3.1	3.4	3.9	4.2	4.6	4.6	5.2	10.1	6.0	4.3	2.8	1.7	.	.		
<b>WAGES, SALARIES</b>																		
Total economy, gross	HRK	7625	7478	7580	7489	7526	7621	7829	7868	7709	7597	7816	7700	7749	.	.		
Total economy, gross	real, CPMY	0.9	-1.6	-1.1	-1.6	2.7	1.4	-0.6	5.4	1.3	-0.7	1.7	0.2	-1.0	.	.		
Total economy, gross	EUR	1051	1032	1048	1041	1056	1065	1096	1093	1047	1022	1052	1038	1053	.	.		
Industry, gross <sup>2)</sup>	EUR	980	954	980	946	984	1004	1000	1027	932	905	941	922	948	.	.		
<b>PRICES</b>																		
Consumer	PM	1.1	0.7	0.1	-0.3	0.2	-0.1	-0.1	-0.6	1.2	0.6	0.2	0.8	0.0	0.1	-0.7		
Consumer	CPY	6.4	7.6	8.4	7.4	6.4	5.9	4.7	2.9	3.4	4.2	3.8	3.9	2.7	2.1	1.2		
Consumer	CCPY	6.0	6.2	6.5	6.7	6.6	6.6	6.4	6.1	3.4	3.8	3.8	3.8	3.6	3.4	3.0		
Producer, in industry <sup>2)</sup>	PM	1.3	1.3	2.4	-0.1	-0.1	-1.1	-1.5	-1.3	-0.1	0.2	-1.2	0.5	0.6	0.9	0.6		
Producer, in industry <sup>2)</sup>	CPY	8.7	9.6	12.0	11.0	10.3	8.8	6.5	4.7	1.8	1.8	-0.1	-0.1	-0.7	-1.0	-2.8		
Producer, in industry <sup>2)</sup>	CCPY	7.8	8.1	8.6	9.0	9.1	9.0	8.8	8.4	1.8	1.8	1.1	0.8	0.5	0.3	-0.2		
<b>FOREIGN TRADE<sup>3)4)</sup></b>																		
Exports total (fob), cumulated	EUR mn	3822	4618	5631	6388	7271	8069	8870	9581	516	1242	1894	2537	3178	3754	.		
Imports total (cif), cumulated	EUR mn	8615	10516	12432	14032	15958	17773	19343	20816	1040	2263	3711	5047	6319	7635	.		
Trade balance, cumulated	EUR mn	-4793	-5897	-6800	-7644	-8687	-9704	-10474	-11235	-524	-1021	-1817	-2510	-3140	-3881	.		
Exports to EU-27 (fob), cumulated	EUR mn	2359	2853	3427	3842	4387	4904	5408	5843	301	811	1192	1575	1941	2304	.		
Imports from EU-27 (cif), cumulated	EUR mn	5533	6765	7994	8960	10166	11380	12373	13354	600	1387	2308	3154	3978	4812	.		
Trade balance with EU-27, cumulated	EUR mn	-3173	-3912	-4568	-5118	-5779	-6477	-6965	-7511	-300	-577	-1116	-1579	-2036	-2508	.		
<b>FOREIGN FINANCE</b>																		
Current account, cumulated <sup>5)</sup>	EUR mn	.	-4358	.	.	-2497	.	.	-4438	.	.	-1820	.	.	.	.		
<b>EXCHANGE RATE</b>																		
HRK/USD, monthly average	nominal	4.664	4.665	4.580	4.797	4.955	5.355	5.609	5.377	5.529	5.803	5.710	5.625	5.408	5.208	5.197		
HRK/EUR, monthly average	nominal	7.255	7.247	7.230	7.196	7.126	7.158	7.141	7.197	7.363	7.431	7.427	7.418	7.358	7.303	7.319		
USD/HRK, calculated with CPI <sup>6)</sup>	real, Jan04=100	131.0	130.5	132.4	126.6	123.0	114.9	111.7	117.1	114.7	109.3	111.0	113.3	117.5	121.0	120.7		
USD/HRK, calculated with PPI <sup>6)</sup>	real, Jan04=100	114.5	113.6	115.6	113.9	111.3	107.7	106.8	113.7	110.5	106.3	107.6	109.4	113.2	116.5	118.4		
EUR/HRK, calculated with CPI <sup>6)</sup>	real, Jan04=100	110.5	111.0	111.4	111.7	112.7	112.0	112.6	111.2	110.7	109.8	109.7	110.3	111.0	111.7	111.3		
EUR/HRK, calculated with PPI <sup>6)</sup>	real, Jan04=100	106.6	106.8	108.5	109.4	110.4	109.6	110.2	109.7	107.6	107.1	106.4	108.0	109.5	111.0	.		
<b>DOMESTIC FINANCE</b>																		
M0, end of period	HRK bn	16.2	16.9	17.6	17.6	16.6	17.0	16.8	17.1	16.6	16.1	15.8	16.3	16.7	16.9	.		
M1, end of period	HRK bn	53.2	54.4	55.5	55.7	53.7	52.7	51.1	55.2	49.6	46.8	46.6	46.4	47.4	47.7	.		
Broad money, end of period	HRK bn	212.9	216.0	221.2	226.4	226.9	223.5	218.1	225.0	221.5	221.4	218.6	218.8	218.1	218.4	.		
Broad money, end of period	CPY	12.3	11.1	9.9	9.2	14.7	9.3	5.0	4.4	6.3	5.7	3.3	2.8	2.4	1.1	.		
Discount rate (p.a.), end of period	%	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0		
Discount rate (p.a.), end of period <sup>7)</sup>	real, %	0.3	-0.5	-2.7	-1.8	-1.2	0.2	2.3	4.1	7.1	7.1	9.1	9.1	9.8	10.1	12.1		
<b>BUDGET</b>																		
Central gov. budget balance, cum. <sup>8)</sup>	HRK mn	2992	2957	3772	3633	3159	3680	2660	-2878	-819	-2237	-3401	-3844	.	.	.		

1) In business entities with more than 20 persons employed.

2) From January 2009 according to NACE rev. 2.

3) Based on cumulated national currency and converted with the average exchange rate.

4) Cumulation starting January and ending December each year.

5) Calculated from USD to NCU to EUR using the official average exchange rate.

6) Adjusted for domestic and foreign (US resp. EU) inflation. Values more than 100 mean real appreciation.

7) Deflated with annual PPI.

8) Consolidated central government budget.

M A C E D O N I A: Selected monthly data on the economic situation 2008 to 2009

(updated end of Aug 2009)

		2008										2009						
		May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul		
<b>PRODUCTION</b>																		
Industry, total <sup>1)</sup>	real, CPMY	17.6	12.2	14.7	8.5	13.7	-9.9	-2.9	-10.1	-16.7	-11.3	-4.8	-7.8	-15.3	-16.2	.		
Industry, total <sup>1)</sup>	real, CCPY	8.3	9.0	9.9	9.7	10.2	7.8	6.8	5.5	-16.7	-13.9	-10.8	-10.0	-11.2	-12.1	.		
Industry, total <sup>1)</sup>	real, 3MMA	11.9	14.8	11.8	12.4	3.7	0.2	-7.7	-9.6	-12.6	-10.8	-7.9	-9.5	-13.2	.	.		
<b>LABOUR</b>																		
Employees <sup>1)</sup>	th. persons	257.9	257.8	258.2	257.4	256.9	255.8	255.6	254.5	251.8	250.6	249.8	249.6	249.5	250.3	.		
Employees in industry <sup>1)</sup>	th. persons	89.3	89.2	89.1	88.4	87.8	86.9	86.0	83.6	82.0	80.6	79.5	78.9	78.8	80.0	.		
Unemployment, quarterly average <sup>2)</sup>	th. persons	.	310.4	.	.	305.3	.	.	306.0	.	.	300.8	.	.	.	.		
Unemployment rate <sup>2)</sup>	%	.	33.8	.	.	33.0	.	.	33.5	.	.	32.7	.	.	.	.		
Labour productivity, industry <sup>1)</sup>	CCPY	8.5	9.6	10.5	10.5	11.0	8.8	8.0	6.7	-13.8	-10.4	-6.7	-5.7	-6.7	-7.4	.		
Unit labour costs, exch.r. adj.(EUR) <sup>1)</sup>	CCPY	-2.4	-2.9	-3.7	-4.0	-4.2	-2.4	-1.8	-0.4	24.2	20.7	16.2	15.4	16.3	17.4	.		
<b>WAGES, SALARIES</b>																		
Total economy, gross	MKD	25612	25673	25739	25758	27513	27758	27507	28323	29586	29433	29602	30139	30100	30171	.		
Total economy, gross	real, CPMY	-0.3	0.1	0.5	0.5	3.9	0.9	3.2	7.0	14.7	17.8	16.7	19.0	17.0	19.3	.		
Total economy, gross	EUR	418	420	421	421	450	454	448	461	482	479	480	491	488	492	.		
Industry, gross	EUR	368	374	370	372	384	389	375	398	394	381	394	401	396	408	.		
<b>PRICES</b>																		
Consumer	PM	0.2	0.3	-0.9	-0.2	-0.2	0.7	0.2	0.3	-0.6	-0.2	0.3	-0.2	1.0	-1.7	-0.5		
Consumer	CPMY	8.3	8.7	8.1	7.2	6.0	6.2	5.0	4.1	1.8	0.8	0.3	-0.3	0.5	-1.5	-1.1		
Consumer	CCPY	9.6	9.7	9.7	9.5	9.3	9.0	8.7	8.3	1.8	1.3	1.0	0.6	0.6	0.2	0.1		
Producer, in industry	PM	3.4	2.8	2.3	-2.2	-0.3	-3.3	-6.8	-1.4	-3.0	0.5	-0.2	1.3	1.0	2.7	0.5		
Producer, in industry	CPMY	14.4	15.7	17.2	13.8	14.4	9.2	-0.9	-1.8	-5.9	-5.1	-7.7	-7.1	-9.3	-10.0	-11.5		
Producer, in industry	CCPY	11.3	12.1	12.8	13.0	13.1	12.7	11.4	10.3	-5.9	-5.5	-6.2	-6.4	-7.0	-7.6	-8.2		
<b>FOREIGN TRADE<sup>3,4)</sup></b>																		
Exports total (fob), cumulated	EUR mn	1102	1352	1619	1820	2062	2293	2489	2665	114	250	400	556	721	894	.		
Imports total (cif), cumulated	EUR mn	1857	2299	2761	3149	3525	3947	4319	4661	267	567	880	1191	1443	1740	.		
Trade balance, cumulated	EUR mn	-755	-947	-1142	-1328	-1463	-1655	-1829	-1995	-153	-317	-480	-635	-722	-845	.		
Exports to EU-27 (fob), cumulated	EUR mn	662	814	995	1110	1251	1384	1514	1621	72	155	240	319	406	496	.		
Imports from EU-27 (cif), cumulated	EUR mn	863	1078	1306	1478	1665	1871	2058	2241	122	279	437	598	743	907	.		
Trade balance with EU-27, cumulated	EUR mn	-200	-264	-311	-367	-414	-487	-544	-620	-50	-123	-196	-278	-337	-410	.		
<b>FOREIGN FINANCE</b>																		
Current account, cumulated	EUR mn	-282	-383	-417	-432	-450	-544	-732	-851	-100	-183	-329	-392	-417	.	.		
<b>EXCHANGE RATE</b>																		
MKD/USD, monthly average	nominal	39.37	39.33	38.79	40.79	42.59	45.79	48.27	48.56	46.08	48.07	47.41	46.41	45.35	43.71	43.47		
MKD/EUR, monthly average	nominal	61.23	61.17	61.18	61.18	61.17	61.20	61.41	61.41	61.40	61.41	61.72	61.35	61.71	61.26	61.19		
USD/MKD, calculated with CPI <sup>5)</sup>	real, Jan04=100	117.5	116.8	116.8	111.3	106.6	100.8	97.7	98.5	102.6	97.6	99.1	100.7	103.8	104.9	105.2		
USD/MKD, calculated with PPI <sup>5)</sup>	real, Jan04=100	114.5	115.5	116.9	112.3	108.3	103.0	96.1	97.3	99.5	96.7	98.6	101.6	103.9	108.7	110.8		
EUR/MKD, calculated with CPI <sup>5)</sup>	real, Jan04=100	99.2	99.2	98.4	98.2	97.8	98.4	98.6	99.1	99.1	98.4	97.8	97.9	98.1	96.9	97.1		
EUR/MKD, calculated with PPI <sup>5)</sup>	real, Jan04=100	106.7	108.4	109.8	107.8	107.6	104.9	99.2	99.4	96.9	97.6	97.4	100.1	100.5	103.7	.		
<b>DOMESTIC FINANCE</b>																		
M0, end of period	MKD bn	16.4	16.2	16.7	16.4	16.5	16.6	15.8	17.6	15.9	15.3	14.6	14.8	14.4	14.2	15.3		
M1, end of period	MKD bn	48.2	49.4	48.5	50.0	50.2	49.2	49.3	54.1	49.6	48.9	46.8	46.8	47.3	47.6	48.3		
Broad money, end of period <sup>6)</sup>	MKD bn	187.2	189.7	192.7	197.4	197.9	195.3	190.2	195.5	192.7	192.8	190.4	192.5	190.8	191.9	191.5		
Broad money, end of period <sup>6)</sup>	CPMY	22.8	21.4	20.1	22.3	22.0	19.6	13.8	11.2	9.4	7.6	6.6	5.1	2.0	1.2	-0.6		
NB discount rate (p.a.), end of period	%	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5		
NB discount rate (p.a.), end of period <sup>7)</sup>	real, %	-6.9	-7.9	-9.1	-6.4	-6.9	-2.4	7.4	8.5	13.1	12.3	15.4	14.7	17.4	17.5	19.6		
<b>BUDGET</b>																		
General gov.budget balance, cum. <sup>8)</sup>	MKD mn	4238	4002	4906	6370	10383	10473	7577	-3852	310	-1398	-1932	.	.	.	.		

1) In business entities with more than 10 persons employed.

2) Based on labour force survey.

3) Based on cumulated USD and converted using the ECB EUR/USD average foreign exchange reference rate.

4) Cumulation starting January and ending December each year.

5) Adjusted for domestic and foreign (US resp. EU) inflation. Values more than 100 mean real appreciation.

6) M2 plus restricted deposits (in denar and in foreign currency) plus non-monetary deposits over 1 year.

7) Deflated with annual PPI.

8) Central government budget plus extra-budgetary funds

MONTENEGRO: Selected monthly data on the economic situation 2008 to 2009

(updated end of Aug 2009)

		2008								2009						
		May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
<b>PRODUCTION</b>																
Industry, total	real, CPMY	-9.9	5.6	3.5	-4.8	12.0	-21.1	-7.2	-20.3	-4.7	-18.8	-15.9	-18.2	-25.3	-41.3	-55.1
Industry, total	real, CCPY	3.0	3.4	3.4	2.4	3.5	0.7	-0.1	-2.1	-4.7	-12.3	-13.6	-14.6	-16.4	-20.4	-25.8
Industry, total	real, 3MMA	-4.3	-0.2	1.3	3.7	-5.1	-5.8	-16.3	-11.2	-15.2	-13.6	-17.6	-19.4	-28.5	-41.8	.
<b>LABOUR</b>																
Employment <sup>1)</sup>	th. persons	166.0	170.1	168.9	168.5	167.7	168.6	169.1	169.2	169.3	169.7	170.6	172.5	174.2	178.8	178.6
Employment in industry	th. persons	34.0	34.4	34.1	34.1	33.9	33.9	34.3	34.7	33.2	32.9	31.6	31.5	30.9	31.1	30.6
Unemployment, reg., end of period	th. persons	30.0	29.1	28.7	28.1	28.3	28.7	28.6	28.4	28.9	29.3	29.2	28.6	27.8	27.1	27.0
Unemployment rate, registered	%	15.3	14.6	14.5	14.3	14.4	14.5	14.5	14.4	14.6	14.7	14.6	14.2	13.8	13.5	13.4
Labour productivity, industry	CCPY	6.2	6.5	6.6	5.6	6.9	4.0	2.8	0.4	-1.4	-8.8	-8.5	-9.6	-10.8	-14.6	-20.0
Unit labour costs, excl.r. adj.(EUR)	CCPY	7.5	9.0	9.1	10.0	8.7	11.5	13.3	16.2	17.4	25.6	22.6	20.4	19.7	21.3	.
<b>WAGES, SALARIES</b>																
Total economy, gross	EUR	602	623	610	625	630	621	629	651	655	650	642	647	651	648	636
Total economy, gross	real, CPMY	13.4	12.6	13.5	14.5	14.2	10.3	9.9	9.9	10.3	5.3	5.1	4.3	3.1	1.2	2.0
Industry, gross	EUR	671	730	673	679	720	683	716	704	718	708	650	607	665	658	.
<b>PRICES</b>																
Consumer	PM	0.7	1.7	0.0	0.1	1.0	0.0	-0.6	1.0	-0.2	0.7	0.4	0.6	0.1	-0.3	-0.6
Consumer	CPMY	8.7	9.9	10.8	10.6	8.4	7.4	6.2	6.9	4.9	5.3	5.5	5.4	4.8	2.8	2.1
Consumer	CCPY	7.8	8.2	8.6	8.8	8.8	8.6	8.4	7.4	4.9	5.1	5.3	5.3	5.2	4.8	4.6
Producer, in industry	PM	1.1	5.5	0.1	1.2	-1.0	-0.1	-0.8	-5.2	-1.2	0.0	-1.6	0.3	-0.5	-1.0	-1.5
Producer, in industry	CPMY	16.5	22.7	17.2	19.0	17.6	17.2	12.9	6.9	5.7	4.7	0.6	0.1	-1.9	-7.7	-9.3
Producer, in industry	CCPY	16.1	17.2	17.2	17.4	17.4	17.4	17.0	16.1	5.7	5.2	3.6	2.7	1.8	0.2	-1.4
<b>FOREIGN TRADE<sup>2)</sup></b>																
Exports total (fob), cumulated	EUR mn	178	226	267	306	343	375	409	433	32	53	73	88	101	129	.
Imports total (cif), cumulated	EUR mn	983	1245	1510	1737	1978	2181	2340	2527	104	223	355	485	622	767	.
Trade balance, cumulated	EUR mn	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.
<b>FOREIGN FINANCE</b>																
Current account, cumulated	EUR mn	.	-667	.	.	-718	.	.	-1006	.	.	-189	.	.	.	.
<b>EXCHANGE RATE</b>																
EUR/USD, monthly average	nominal	0.643	0.643	0.634	0.668	0.696	0.751	0.785	0.744	0.755	0.782	0.766	0.758	0.733	0.713	0.710
USD/EUR, calculated with CPI <sup>3)</sup>	real, Jan04=100	82.5	83.1	81.6	86.3	91.0	99.2	105.2	101.7	102.6	106.3	104.4	103.6	99.9	96.1	95.2
USD/EUR, calculated with PPI <sup>3)</sup>	real, Jan04=100	79.0	81.8	78.7	86.7	90.3	102.9	112.7	104.6	105.0	109.6	106.5	105.2	100.1	94.8	93.6
<b>BUDGET</b>																
General gov.budget balance, cum.	EUR mn	.	81	.	.	157	.	.	51	.	.	38	.	.	.	.

1) Excluding individual farmers.

2) Cumulation starting January and ending December each year.

3) Adjusted for domestic and foreign (US resp. EU) inflation. Values more than 100 mean real appreciation.

S E R B I A: Selected monthly data on the economic situation 2008 to 2009

(updated end of Aug 2009)

		2008								2009						
		May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
<b>PRODUCTION</b>																
Industry, total	real, CPMY	2.1	2.0	5.0	-4.4	2.3	-3.0	-2.7	-9.0	-16.3	-17.9	-13.0	-19.9	-18.3	-12.9	.
Industry, total	real, CCPY	4.2	3.8	4.0	2.9	2.8	2.2	1.7	0.7	-16.3	-17.1	-15.7	-16.8	-17.1	-16.4	.
Industry, total	real, 3MMA	2.2	3.0	0.8	0.9	-1.7	-1.2	-4.9	-9.0	-14.1	-15.7	-16.9	-17.1	-17.0	.	.
<b>LABOUR</b>																
Employees total	th. persons	1428.0	1426.0	1424.0	1423.0	1425.0	1426.0	1424.0	1423.0	1416.0	1413.0	1428.0	1425.0	1417.0	.	.
Employees in industry	th. persons	441.0	438.0	437.0	435.0	435.0	432.0	430.0	427.0	421.0	421.0	419.0	415.0	412.0	.	.
Unemployment, reg., end of period	th. persons	773.3	756.5	744.8	733.7	726.5	717.4	718.3	727.6	736.8	749.7	758.4	762.7	767.5	.	.
Unemployment rate, registered	%	24.7	24.4	24.1	23.8	23.6	23.4	23.5	23.7	24.0	24.3	24.7	25.7	25.9	.	.
Labour productivity, industry	CCPY	9.4	8.9	9.0	7.8	7.6	7.1	6.8	5.7	-12.3	-13.2	-11.3	-12.1	-12.2	.	.
Unit labour costs, exch.r. adj.(EUR)	CCPY	5.4	6.2	7.1	9.1	9.5	9.5	9.4	9.2	4.4	5.6	1.9	1.6	0.8	.	.
<b>WAGES, SALARIES</b>																
Total economy, gross	RSD	44835	45608	46115	46222	46015	47883	46944	53876	40245	43341	42213	45304	43183	44246	45307
Total economy, gross	real, CPMY	2.7	1.0	3.5	6.7	5.6	6.3	3.5	3.5	-6.9	-9.3	-9.9	-7.8	-11.5	-10.5	-9.5
Total economy, gross <sup>1)</sup>	EUR	544	577	599	605	601	563	526	608	428	462	445	476	456	474	486
Industry, gross <sup>1)</sup>	EUR	473	515	526	537	528	488	456	515	390	412	394	420	403	.	.
<b>PRICES</b>																
Consumer	PM	1.6	0.5	-1.1	0.1	0.9	1.9	0.0	-0.8	2.4	1.3	0.4	0.9	2.1	0.0	-0.9
Consumer	CPMY	15.2	15.4	14.4	11.2	10.2	11.8	10.0	7.7	9.3	9.9	9.0	8.3	8.9	8.4	8.5
Consumer	CCPY	14.2	14.4	14.4	14.0	13.5	13.3	13.0	12.6	9.3	9.6	9.4	9.1	9.1	9.0	8.9
Producer, in industry	PM	1.2	1.2	1.0	0.8	-0.3	0.1	-0.4	-0.6	-1.6	1.8	0.9	1.0	1.4	2.1	-0.3
Producer, in industry	CPMY	13.0	13.6	14.8	14.9	13.7	12.9	11.1	9.3	4.9	6.0	5.2	5.2	5.4	6.3	4.9
Producer, in industry	CCPY	13.3	13.3	13.5	13.7	13.7	13.6	13.4	13.0	4.9	5.4	5.3	5.3	5.3	5.5	5.4
<b>FOREIGN TRADE<sup>2,3)</sup></b>																
Exports total (fob), cumulated	EUR mn	2972	3656	4399	5052	5727	6333	6845	7374	355	764	1269	1721	2243	2794	.
Imports total (cif), cumulated	EUR mn	6339	7734	9164	10375	11767	13068	14113	15297	629	1505	2561	3489	4666	5598	.
Trade balance, cumulated	EUR mn	-3367	-4078	-4765	-5323	-6040	-6734	-7268	-7923	-274	-741	-1292	-1768	-2424	-2805	.
Exports to EU-27 (fob), cumulated	EUR mn	1481	1917	2192	2419	2812	3088	3332	3556	174	378	608	808	1028	1259	.
Imports from EU-27 (cif), cumulated	EUR mn	3386	4138	5052	5602	6336	7031	7589	8182	333	817	1382	1906	2411	3583	.
Trade balance with EU-27, cumulated	EUR mn	-1905	-2221	-2860	-3182	-3524	-3944	-4257	-4626	-158	-440	-774	-1099	-1383	-2323	.
<b>FOREIGN FINANCE</b>																
Current account, cumulated <sup>4)</sup>	EUR mn	-2403	-3059	-3663	-4068	-4597	-5050	-5383	-5956	-75	-361	-798	-940	-960	-979	.
<b>EXCHANGE RATE</b>																
RSD/USD, end of month	nominal	53.09	50.01	49.40	51.79	53.78	66.33	69.02	62.90	72.86	73.68	71.59	71.64	67.74	66.25	65.93
RSD/EUR, end of month	nominal	82.43	78.98	76.99	76.44	76.60	84.99	89.20	88.60	94.10	93.81	94.78	95.24	94.72	93.44	93.19
USD/RSD, calculated with CPI <sup>5)</sup>	real, Jan04=100	149.3	157.7	157.1	150.6	146.6	122.3	119.9	131.9	116.0	115.5	119.2	119.8	129.0	130.7	130.4
USD/RSD, calculated with PPI <sup>5)</sup>	real, Jan04=100	122.1	128.6	128.3	127.4	123.6	106.0	107.0	120.7	102.6	104.1	108.9	109.5	116.2	119.1	120.3
EUR/RSD, calculated with CPI <sup>5)</sup>	real, Jan04=100	123.9	129.5	131.4	132.6	133.1	122.2	116.9	116.9	113.5	114.7	113.6	113.6	116.5	117.8	117.7
EUR/RSD, calculated with PPI <sup>5)</sup>	real, Jan04=100	111.8	116.7	119.7	122.0	121.5	110.5	106.8	108.7	101.1	103.5	103.9	105.3	107.4	110.8	.
<b>DOMESTIC FINANCE</b>																
M0, end of period	RSD bn	74.1	69.5	69.2	70.5	71.6	77.3	80.6	90.0	81.8	82.6	78.1	84.3	83.3	.	.
M1, end of period	RSD bn	230.6	225.5	213.6	218.3	222.0	222.8	223.5	241.1	212.1	227.3	210.2	216.1	221.4	.	.
Broad money, end of period <sup>6)</sup>	RSD bn	979.0	947.2	936.5	966.7	985.1	974.3	1000.3	992.7	1005.6	1026.6	1015.6	1037.2	1042.6	1061.9	.
Broad money, end of period <sup>6)</sup>	CPMY	39.4	33.7	25.6	23.7	24.5	23.0	13.9	9.8	7.4	9.3	6.5	10.0	6.5	12.1	.
NB discount rate (p.a.), end of period	%	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5
NB discount rate (p.a.), end of period <sup>7)</sup>	real, %	-4.0	-4.4	-5.5	-5.6	-4.5	-3.9	-2.3	-0.8	3.5	2.4	3.2	3.2	3.0	2.1	3.4
<b>BUDGET</b>																
Central gov. budget balance, cum.	RSD mn	-16885	-19146	-10637	-17219	-17983	-17413	-32179	-47657	9	-9990	-11084	-26979	-41812	-52945	.

1) Calculation from NCU to EUR using the official end of month exchange rate.  
 2) Based on cumulated national currency and converted with the end of month exchange rate.  
 3) Cumulation starting January and ending December each year.  
 4) Until 2008 calculated from USD to NCU to EUR using the official end of month exchange rate.  
 5) Adjusted for domestic and foreign (US resp. EU) inflation. Values more than 100 mean real appreciation.  
 6) Excluding government deposits, excluding frozen foreign currency savings deposits.  
 7) Deflated with annual PPI.

R U S S I A: Selected monthly data on the economic situation 2008 to 2009

(updated end of Aug 2009)

		2008								2009						
		May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
<b>PRODUCTION</b>																
Industry, total	real, CMPY	6.7	0.8	3.1	4.8	6.4	1.7	-8.7	-10.2	-16.0	-13.2	-13.7	-16.8	-17.0	-12.0	-10.8
Industry, total	real, CCPY	6.9	5.8	5.4	5.4	5.5	5.1	3.7	2.4	-16.0	-14.6	-14.2	-14.9	-15.3	-14.8	-14.2
Industry, total	real, 3MMA	5.5	3.5	2.9	4.8	4.2	-0.3	-5.8	-11.5	-13.0	-14.2	-14.6	-15.8	-15.3	-13.3	.
Construction, total	real, CMPY	17.2	16.2	12.1	6.4	9.8	5.9	6.3	-15.7	-16.8	-20.7	-20.2	-16.3	-21.9	-19.6	-17.8
<b>LABOUR<sup>1)</sup></b>																
Employment total, quarterly average	th. persons	.	71631	.	.	72136	.	.	70603	.	.	67761	.	.	69463	.
Unemployment, quarterly average	th. persons	.	4097	.	.	4472	.	.	5289	.	.	7084	.	.	6491	.
Unemployment rate	%	.	5.4	.	.	5.8	.	.	7.0	.	.	9.5	.	.	8.5	.
<b>WAGES, SALARIES</b>																
Total economy, gross	RUB	16643	17715	17758	17244	17739	17643	17598	21681	17119	17098	18129	18009	18007	19247	18862
Total economy, gross	real, CMPY	13.0	12.2	14.3	13.0	12.8	10.4	5.5	2.9	2.2	-2.3	-1.8	-3.9	-3.8	-3.0	-5.3
Total economy, gross	EUR	451	481	482	476	488	500	507	571	404	374	400	407	413	442	425
Industry, gross <sup>2)</sup>	EUR	424	440	459	460	461	471	479	456	352	334	355	355	365	387	.
<b>PRICES</b>																
Consumer	PM	1.4	1.0	0.5	0.4	0.8	0.9	0.8	0.7	2.4	1.7	1.3	0.7	0.6	0.6	0.6
Consumer	CMPY	15.1	15.1	14.7	15.0	15.0	14.2	13.8	13.3	13.5	14.0	14.2	13.3	12.5	12.0	12.1
Consumer	CCPY	13.6	13.8	14.0	14.1	14.2	14.2	14.2	14.1	13.5	13.7	13.9	13.7	13.5	13.2	13.1
Producer, in industry	PM	3.5	4.9	5.4	0.5	-5.0	-6.6	-8.4	-7.6	-3.4	5.1	2.9	2.4	0.6	2.2	1.8
Producer, in industry	CMPY	24.7	27.6	33.5	31.5	25.7	17.5	4.3	-7.0	-11.6	-7.7	-5.7	-7.6	-10.2	-12.5	-15.5
Producer, in industry	CCPY	25.7	26.1	27.2	27.8	27.5	26.5	24.3	21.4	-11.6	-9.6	-8.3	-8.1	-8.6	-9.3	-10.3
<b>FOREIGN TRADE<sup>3)</sup></b>																
Exports total, cumulated	EUR mn	125291	153436	183331	213497	243481	272346	296470	318004	13443	27766	43625	59496	76135	93553	.
Imports total, cumulated	EUR mn	66449	81662	98686	115388	132805	150958	166000	181684	6550	15888	25750	35612	44293	53837	.
Trade balance, cumulated	EUR mn	58842	71773	84645	98108	110676	121388	130470	136320	6893	11878	17875	23884	31842	39716	.
<b>FOREIGN FINANCE</b>																
Current account, cumulated <sup>5)</sup>	EUR mn	.	42029	.	.	61770	.	.	69871	.	.	6933	.	.	12826	.
<b>EXCHANGE RATE</b>																
RUB/USD, monthly average	nominal	23.730	23.638	23.351	24.135	25.286	26.356	27.311	28.136	31.520	35.760	34.680	33.560	32.070	31.030	31.520
RUB/EUR, monthly average	nominal	36.892	36.799	36.839	36.260	36.340	35.286	34.739	37.993	42.377	45.710	45.280	44.260	43.620	43.510	44.360
USD/RUB, calculated with CPI <sup>6)</sup>	real, Jan04=100	166.0	166.6	168.7	164.5	158.6	155.1	153.8	152.0	138.2	123.2	128.4	133.2	139.8	144.1	143.0
USD/RUB, calculated with PPI <sup>6)</sup>	real, Jan04=100	188.8	195.0	202.9	203.8	186.7	176.9	164.9	153.0	131.9	123.2	131.7	138.8	144.6	150.0	151.6
EUR/RUB, calculated with CPI <sup>6)</sup>	real, Jan04=100	140.1	141.3	141.9	144.8	145.3	150.9	155.1	143.1	132.2	123.9	126.3	129.7	132.1	133.0	131.9
EUR/RUB, calculated with PPI <sup>6)</sup>	real, Jan04=100	175.8	182.7	190.4	195.3	185.2	179.6	170.2	146.2	127.2	124.2	129.6	137.0	139.8	142.9	.
<b>DOMESTIC FINANCE</b>																
M0, end of period	RUB bn	3656.2	3724.9	3807.2	3887.4	3904.2	3962.2	3793.1	3794.8	3312.7	3301.6	3278.3	3410.1	3461.9	3522.5	.
M1, end of period	RUB bn	7533.2	7814.1	7777.3	7963.2	8005.2	7549.1	7518.1	7591.4	6591.2	6515.1	6551.7	6649.3	6878.4	7162.8	.
M2, end of period	RUB bn	15395.9	15926.6	15760.2	16195.6	16067.8	15460.3	15421.3	16774.7	16381.7	16393.6	16308.4	16360.4	16572.5	17055.4	.
M2, end of period	CMPY	29.5	32.4	30.4	31.1	26.6	21.8	14.2	14.7	14.0	11.9	9.3	10.2	7.6	7.1	.
Refinancing rate (p.a.), end of period	%	10.5	10.8	11.0	11.0	11.0	11.0	12.0	13.0	13.0	13.0	13.0	12.5	12.0	11.5	11.0
Refinancing rate (p.a.), end of period <sup>7)</sup>	real, %	-11.4	-13.2	-16.9	-15.6	-11.7	-5.5	7.3	21.5	27.8	22.5	19.8	21.8	24.7	27.4	31.3
<b>BUDGET</b>																
Central gov. budget balance, cum.	RUB bn	1311.7	1375.1	2118.9	2347.2	2561.5	2783.4	2511.2	1707.5	376.5	132.5	-29.7	-351.8	-476.6	.	.

1) Based on labour force survey.

2) Manufacturing industry only (D according to NACE).

3) Based on cumulated USD and converted using the ECB EUR/USD average foreign exchange reference rate.

4) Cumulation starting January and ending December each year.

5) Calculated from USD to NCU to EUR using the official average exchange rate.

6) Adjusted for domestic and foreign (US resp. EU) inflation. Values more than 100 mean real appreciation.

7) Deflated with annual PPI.

U K R A I N E: Selected monthly data on the economic situation 2008 to 2009

(updated end of Aug 2009)

		2008										2009						
		May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul		
<b>PRODUCTION</b>																		
Industry, total	real, CPMY	8.3	5.2	5.1	-0.5	-4.5	-19.8	-28.6	-26.6	-34.1	-31.6	-30.4	-31.8	-31.8	-27.5	-26.7		
Industry, total	real, CCPY	8.0	7.5	7.3	6.3	5.1	2.2	-0.7	-3.1	-34.1	-32.8	-31.9	-31.9	-31.9	-31.1	-30.4		
Industry, total	real, 3MMA	7.3	6.2	3.3	0.0	-8.3	-17.6	-25.0	-29.8	-30.8	-32.0	-31.3	-31.3	-30.4	-28.7	.		
Construction, total	real, CCPY	-1.1	-1.2	-2.1	-2.6	-7.2	-9.6	-13.0	-16.0	-57.6	-57.3	-56.7	-55.6	-55.8	-54.9	-54.3		
<b>LABOUR</b>																		
Employees <sup>1)</sup>	th. persons	11430	11441	11451	11428	11387	11358	11210	10982	10863	10815	10799	10748	10683	10651	10611		
Employees in industry <sup>1)</sup>	th. persons	3211	3206	3197	3185	3169	3156	3104	3023	2970	2946	2924	2888	2858	2838	2822		
Unemployment, reg., end of period	th. persons	573.0	538.1	518.7	509.5	513.6	530.1	639.9	844.9	900.6	906.1	879.0	808.8	736.3	658.5	606.9		
Unemployment rate, registered	%	2.0	1.9	1.8	1.8	1.8	1.9	2.3	3.0	3.2	3.2	3.1	2.9	2.6	2.4	2.2		
Labour productivity, industry <sup>1)</sup>	CCPY	9.9	9.5	9.4	8.5	7.3	4.5	1.8	-0.3	-28.0	-26.3	-25.0	-24.7	-24.4	-23.3	-22.4		
Unit labour costs, exch.r. adj.(EUR) <sup>1)</sup>	CCPY	6.2	7.3	8.3	10.1	12.9	17.0	19.0	16.7	6.1	5.2	5.3	5.6	4.0	1.2	-1.4		
<b>WAGES, SALARIES<sup>1)</sup></b>																		
Total economy, gross	UAH	1774	1883	1930	1872	1916	1917	1823	2001	1665	1723	1818	1845	1851	1980	2008		
Total economy, gross	real, CPMY	6.0	6.5	7.1	6.3	7.9	5.5	0.4	-2.3	-10.5	-12.7	-9.6	-8.0	-9.0	-8.6	-9.9		
Total economy, gross	EUR	229	250	253	257	274	284	238	195	162	175	181	181	178	186	186		
Industry, gross	EUR	260	272	284	296	313	313	253	201	181	194	204	201	195	198	202		
<b>PRICES</b>																		
Consumer	PM	1.3	0.8	-0.5	-0.1	1.1	1.7	1.5	2.1	2.9	1.5	1.4	0.9	0.5	1.1	-0.1		
Consumer	CPMY	31.1	29.3	26.8	26.0	24.6	23.2	22.3	22.3	22.3	20.9	18.1	15.6	14.7	15.0	15.5		
Consumer	CCPY	25.8	26.4	26.4	26.4	26.2	25.8	25.5	25.2	22.3	21.6	20.4	19.1	18.2	17.6	17.3		
Producer, in industry	PM	3.7	4.2	3.6	1.8	-1.8	-1.4	-6.5	-0.4	0.2	1.8	1.1	0.4	-0.7	1.4	0.7		
Producer, in industry	CPMY	39.4	43.7	46.4	47.0	42.7	37.7	27.5	23.0	20.5	19.1	13.0	6.4	1.9	-0.9	-3.6		
Producer, in industry	CCPY	31.7	33.7	35.6	37.1	37.8	37.8	36.8	35.5	20.5	19.8	17.4	14.4	11.6	9.3	7.2		
<b>FOREIGN TRADE<sup>2)3)</sup></b>																		
Exports total (fob), cumulated	EUR mn	16806	21257	26120	30589	35195	39539	42540	45561	1843	3944	6401	8749	10895	13009	.		
Imports total (cif), cumulated	EUR mn	22577	27688	33308	38738	44580	50231	54491	58163	1542	4489	7508	10233	12571	14843	.		
Trade balance, cumulated	EUR mn	-5771	-6431	-7188	-8150	-9385	-10692	-11950	-12602	300	-544	-1107	-1484	-1676	-1834	.		
<b>FOREIGN FINANCE</b>																		
Current account, cumulated <sup>4)</sup>	EUR mn	.	-4616	.	.	-6036	.	.	-8838	.	.	-627	.	.	.	.		
<b>EXCHANGE RATE</b>																		
UAH/USD, monthly average	nominal	4.986	4.852	4.843	4.845	4.853	5.043	6.004	7.581	7.700	7.700	7.700	7.700	7.653	7.616	7.648		
UAH/EUR, monthly average	nominal	7.757	7.535	7.641	7.291	6.985	6.755	7.651	10.242	10.290	9.859	10.046	10.175	10.390	10.669	10.777		
USD/UAH, calculated with CPI <sup>5)</sup>	real, Jan04=100	166.3	170.6	169.2	169.6	171.5	169.6	147.4	120.5	121.5	122.6	124.0	124.8	125.8	126.6	126.2		
USD/UAH, calculated with PPI <sup>6)</sup>	real, Jan04=100	179.9	188.8	191.2	201.0	199.0	199.6	165.4	134.9	133.1	136.6	139.2	139.2	137.6	137.7	139.2		
EUR/UAH, calculated with CPI <sup>5)</sup>	real, Jan04=100	140.3	145.0	142.4	149.1	156.9	165.0	148.4	113.4	116.8	123.1	122.1	121.2	119.1	117.0	116.3		
EUR/UAH, calculated with PPI <sup>6)</sup>	real, Jan04=100	167.4	177.4	179.4	192.2	197.2	202.7	170.4	128.9	129.1	137.5	137.1	137.1	133.3	131.3	.		
<b>DOMESTIC FINANCE</b>																		
M0, end of period	UAH bn	118.8	124.7	130.9	134.0	133.6	146.3	141.3	154.8	150.2	147.5	147.1	150.7	153.0	153.2	151.8		
M1, end of period	UAH bn	189.0	201.1	207.8	212.6	214.8	217.2	209.3	225.1	214.9	210.3	212.5	213.7	217.8	226.9	225.7		
Broad money, end of period	UAH bn	429.7	450.6	467.2	474.9	477.7	481.1	483.8	515.7	492.7	470.9	463.8	465.1	468.2	472.7	471.9		
Broad money, end of period	CPMY	49.1	48.7	47.4	44.4	37.2	35.8	32.3	30.2	25.9	18.3	11.5	8.3	9.0	4.9	1.0		
Refinancing rate (p.a.), end of period	%	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	11.0	11.0		
Refinancing rate (p.a.), end of period <sup>6)</sup>	real, %	-19.7	-22.1	-23.5	-23.8	-21.5	-18.7	-12.1	-9.0	-7.1	-6.0	-0.9	5.3	9.9	12.0	15.2		
<b>BUDGET</b>																		
General gov.budget balance, cum.	UAH mn	11843	6544	6643	14415	11762	7348	5558	-14183	2605	1291	-74	-3494	-3162	-13254	.		

1) Excluding small firms.

2) Based on cumulated USD and converted using the ECB EUR/USD average foreign exchange reference rate.

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